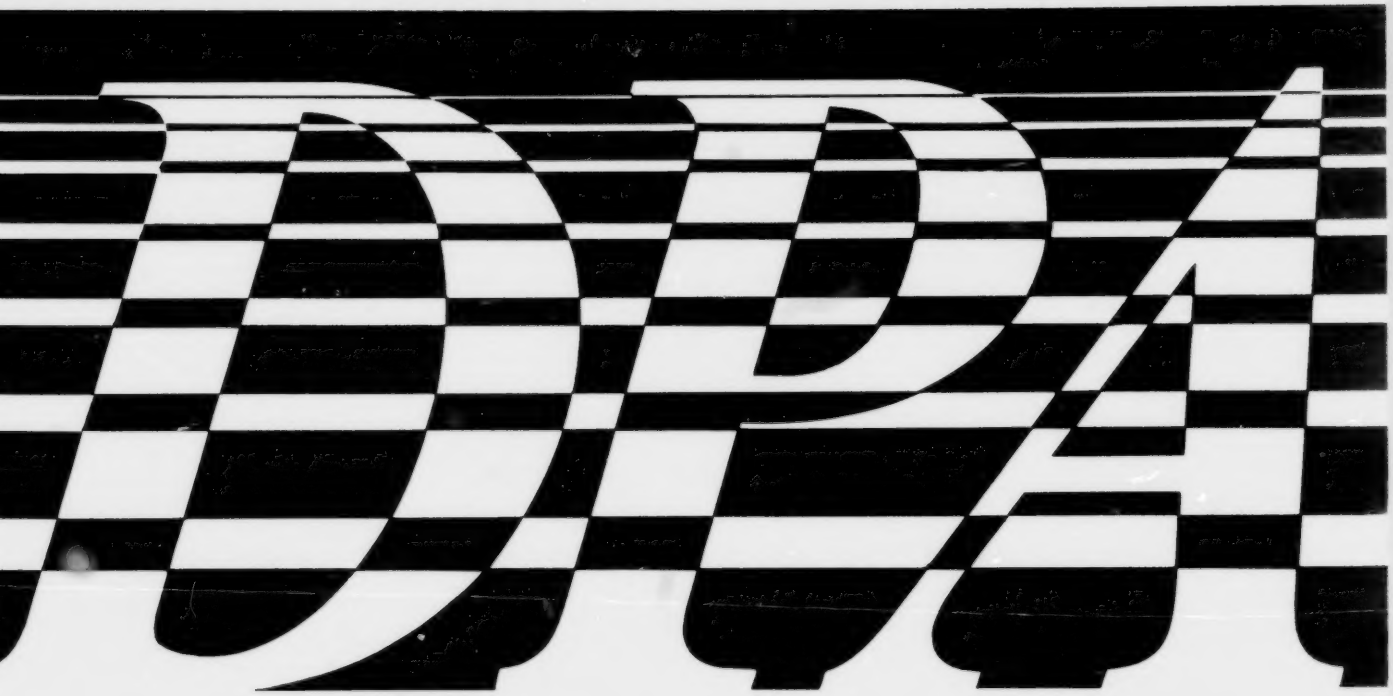

THE DPA GROUP INC.

FINAL REPORT

MIRAMICHI REGION
ACCOMMODATION NEEDS STUDY

PREPARED FOR:

NEW BRUNSWICK DEPARTEMENT OF TOURISM, RECREATION AND HERITAGE

PREPARED BY:

THE DPA GROUP INC.

IN ASSOCIATION WITH:

FRANK WOLMAN ASSOCIATES INC.

December 21, 1987

File: #317013

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1.0 INTRODUCTION

1.1 Background

The New Brunswick Department of Tourism, Recreation and Heritage has commissioned the DPA Group Inc., in association with Frank Wolman Associates Inc., to conduct an accommodation needs study for the Miramichi region.

This draft final report presents the market assessment for accommodation in the Miramichi region.

The geographic area considered in this study includes the general Boiestown to the Chatham/Newcastle area. As well, facilities up to and including Neguac on Route 11 (although outside of the formal study area) were considered.

1.2 Objectives

The objectives of the study, as provided by the Terms of Reference, are as follows:

- To provide a general overview of the importance of the tourism industry;

- To carry out a market analysis of existing and potential markets for business and pleasure travel;

- To carry out an accommodation needs study for roofed accommodation and campgrounds; and

- To carry out an economic impact analysis of various potential accommodation related projects.

1.3 Organization of the Report

The remainder of this report is presented in four main sections; accommodation supply, accommodation demand, supply/demand analysis and recommendations.

Chapter 2, Accommodation Supply, provides an inventory of existing and seasonal accommodation supply; rating of specific accommodation establishments and planned and suggested improvements to existing establishments.

Chapter 3, Accommodation Demand, presents information on tourism market characteristics; historical occupancy and other demand generators such as special events, commercial, institutional, and government demand; and association meeting market demand.

Chapter 4 provides a supply/demand analysis including segmentation of existing markets by category and sub-area, and occupancy needs for various segments.

Chapter 5 contains our recommendations and an estimate of the potential economic impact resulting from the implementation of the recommended initiatives.

1.4 Previous Studies in the Region

The DPA Group Inc. has recently carried out a feasibility study for the expansion of the Village Inn. Frank Wolman Associates Inc. recently conducted a feasibility study for the expansion of the Wharf Inn and provided subsequent advice to the owners regarding the motel's food and beverage operation.

1.5 Disclaimer

The accuracy of information relating to specific accommodation establishments is based on and limited by conditions that we observed during our site visits, and on discussions with owners/proprietors, staff persons and others.

The purpose of the information and opinions is to provide an overall view of existing facilities. Our detailed comments and ratings are set out in order to indicate the observations and information on which we relied in arriving at our conclusions. A more thorough inspection of any specific property for a given purpose would be necessary to arrive to a complete and fair assessment. Our detailed comments and ratings are for CONFIDENTIAL USE ONLY, and may not be released without our prior written consent in each case.

2.0 ACCOMMODATION SUPPLY

This section presents an overview of existing accommodation establishments in the Miramichi region; including an inventory of facilities, an assessment of the quality of these facilities, planned improvements, expansions or new developments, as well as suggestions for improvements or expansion opportunities.

2.1 Inventory of Accommodation Supply

For the purpose of determining the existing quantity of accommodation in the Miramichi region and to assess the quality of the accommodation supply, site visits were made to most of the accommodation establishments in the region.

Personal interviews were conducted with the owner/operator or with senior staff personnel of accommodation facilities. In a few cases, due to unavailability of the owner/operator during the week scheduled for interviews, it was necessary to conduct interviews by telephone.

The establishments that were visited provide a sampling of roofed accommodation types found in the study area. The establishments visited are grouped into four categories as listed below:

- **Hotels/Motels/Inns** including motor inns, hotels and motels
- **Guest Homes/Bed & Breakfast** including tourist homes, manors and mansions
- **Cabins/Cottages** including self-contained outfitting cabins
- **Campgrounds** including trailer parks, provincial parks and national parks

Although the study called for the inclusion of youth/elder hostels and holiday farms, there were none listed in any accommodation directories nor could such facilities be found within the study area. In the case of one restaurant establishment it was found that there were plans to develop a motel addition. This facility was therefore included in the section on Planned New Accommodation Establishments.

Exhibit 2-1 presents an inventory and analysis of existing accommodation establishments in the Miramichi region. Key findings are highlighted below:

- In total, there are 281 hotel/motel units in the Miramichi region, of which 207, or 74%, are in Newcastle. This reflects the concentration of industry and service businesses in Newcastle.

- Additional establishments not accounted for in the analysis above are two small motels in Neguac, the 5-unit Anchor Motel and the 20-unit Motel Beausejour, which are geographically outside the Miramichi Region.

- There are a total of 43 guest home rooms/cabins/ cottages which are spread throughout the Region, although cabins/cottages built for fishing camps are found primarily along the river in the Ludlow/Doaktown area.

- Not dealt with are a number of fishing cabins which were not listed in the 1987 New Brunswick Accommodation

EXHIBIT 2-1
INVENTORY OF EXISTING ACCOMMODATION ESTABLISHMENTS
(Ranked by Number of Units)

TYPE: Hotels/Motels/Inns	Rentable Units	Rates ($)				Season	Estimated Occupancy	Markets
		SGL	DBL	EXTRA	OTHER			
WANDLYN INN Newcastle	66 rooms 5 apartments	$48 $58	$53 $63	$ 6 $ 6	n/a	12 mo.	60% - W 95% - S	80% business; 20% family; recently teams/bus groups
FUNDY LINE MOTEL Newcastle	55 motel units	$36 $39	$40 $47	$ 6	n/a	12 mo.	70% - W 90% - S	85% business 15% family/tourist/other
WHARF INN Newcastle	53 rooms	$45	$50	$ 5	n/a	12 mo.	70% - W 95% - S	mainly business travellers; also family, tourists; some conference
MORADA MOTEL Chatham	28 motel units	$38	$43	$ 5	n/a	12 mo.	50% - W 85% - S	commercial travellers year-round; tourists in summer
RIVER VIEW MOTEL Newcastle	20 motel units 8 rooms for single men residence	$40 $32	$45 $36	$ 5	n/a	12 mo.	60%-80%	teams/construction workers truckers/some family
POND'S CHALET RESORT Ludlow	5 rooms/lodge 10 motel units 13 cabins	$40	$44	$ 4	$130/lodge + $15 p/p $ 65/cabin	12 mo.	40% - W 65% - S	60% Canadian of which 50% from N.B. 40% American fishermen/family in winter weekdays slow
TAYLOR'S MOTEL Doaktown	5 rooms/house 10 motel units 1 guest house	$32 $36	$36 $40	$ 4	$4 extra in season on all rates	12 mo.	50%	welfare board rents units; drive by traffic only
ELDA'S MOTEL Chatham	10 motel units	$30	$35	$ 5	n/a	12 mo.	80% - W 60% - S	non-summer: 80% local workers; 20% travellers summer: 50% tourists
FOLYNWOOD MOTEL AND RESTAURANT, Chatham	6 motel units	$26	$32	$ 4	n/a	06/09	50%	budget conscious tourist market

EXHIBIT 2-1 (Continued)

TYPE: Guest Homes/B&B	Rentable Units	Rates ($) SGL	DBL	OTHER	Season	Estimated Occupancy	Markets
GOVERNOR'S MANSION Nelson-Miramichi	5 rooms plus dormitory in attic	$12	n/a	$15 with shower breakfast extra	12 mo.	30% - W 80% - S	professionals; tourists; some groups/teams in attic
INN BY THE POND Doaktown	5 rooms	$25	$35	includes breakfast $ 50/day - 3 meals $150/day - 3 meals & guide	12 mo.	90%	international tourists - bear hunting and fishing outfitting
DUNGARVON MANOR TOURIST LODGE, Blackville	5 rooms	$20	$35	n/a	05/09	50%	visitors to prisoners in Renous
CASTLE LODGE TOURIST HOME, Newcastle	5 rooms	$14	$17	$ 4 extra	12 mo.	10% - W 60% - S	salesmen, mainly repeat business
MIRAMICHI MANOR Nelson-Miramichi	3 rooms	$25	$35	includes breakfast	12 mo.	just opened	tourists

TYPE: Cabins	Rentable Units	Rates ($) SGL	DBL	EXTRA	OTHER	Season	Estimated Occupancy	Markets
RIVER SIDE CABINS Doaktown	3 cabins	$25	$30	$ 5	also rent by season	06/09	30%	rents one cabin all summer to local other cabins rented to fishermen
RIVER VIEW COTTAGES Doaktown	2 cabins	n/a	n/a	n/a	$200/week	06/09	50%	repeat fishermen/hunters

EXHIBIT 2-1 (Continued)

TYPE: Campsites	Rentable Units	Rates ($)				Season	Estimated Occupancy	Markets
		SGL	DBL	EXTRA	OTHER			
FAMILYLAND CAMPGROUND Loggieville	200 sites	$10/site/night plus $ 2/visitor			$2 beach $3 picnic	06/09	n/a	trailers/campers part of COA van clubs/group campers
RED PINE PROVINCIAL PARK, Boiestown	79 sites	n/a	n/a	n/a	$10/site per night	06/09	n/a	n/a
TAYLOR'S CAMPGROUND Doaktown	open field	n/a	n/a	n/a	n/a	06/09	n/a	trailers
THE ENCLOSURE PROVINCIAL PARK, Newcastle	n/a	n/a	n/a	n/a	n/a	06/09	n/a	apparently very busy with campers beach/canteen

and Campground Guide. Signs were observed for the Old River Lodge, Wasson Camp and Pair-a-dice, all in Blackville, as well as Campbell's Fishing Camp in Renous.

- In total there were 16 establishments with 324 accommodation units assessed in the Region. The average number of rooms per establishment is about 20, which is less than the provincial average of 28.

- With the exception of the Folynwood Motel, the River View Cottages and River Side Cabins, all accommodation establishments are open on a year-round basis. That is, 301 of the 323 units are open year-round.

- The campgrounds are open only during the June-September period.

- Occupancy rates have been substantially higher than provincial averages, averaging close to 60% in the winter months and around 80% in the summer.

- The larger hotels/motels in Newcastle and Chatham cater primarily to the commercial market. The smaller establishments rely to a greater extent on sports teams, construction workers and other more budget conscious markets.

2.2 Rating of Accommodation Supply

All accommodation establishments which were visited and inspected were rated by an experienced hospitality consultant in order to ensure accuracy in comparison. The ratings are subjective in nature, but consistent.

Each establishment was graded in the following areas:

- **Exterior** of the facility, including appearance and size of the parking lot, signage, landscaping, building facades and balconies.

- The **public areas** including the appearance and size of the lobby and front desk, the elevators, hallways, stairways and public restrooms.

- The **guest rooms** including the overall quality, appearance and cleanliness of the bed linens, towels, carpeting and furnishings. Also considered was the level of lighting, the security of the door locks, the temperature control for air conditioning and heating, and the quality of the television and/or radio. The efficiency of design of the bathroom, its cleanliness and overall appearance was also rated and the pressure of the water and water temperature were both tested.

- **Facilities** that were available to the guests were rated, including the restaurant/coffee shop, the calibre of swimming pool, if applicable, and the calibre of an exercise and games room, if offered.

Special attention was given to the availability of a meeting room or conference room. Size and calibre of finish was important to the rating of these spaces, as were the furnishings and services such as blackboards, flipcharts and video and audio equipment.

Exhibit 2-2 presents the itemized findings of the rating of each accommodation establishment.

Grading ranged from -3 through to +3; an "N/A" was given if the establishment did not possess the particular facility under consideration. The grading is explained as follows:

-3 : very poor
-2 : poor
-1 : below average
0 : average
+1 : above average
+2 : good
+3 : very good

2.3 Planned and Suggested Improvements to Existing Establishments

This section presents an overview of planned and suggested improvements to existing accommodation facilities in the Miramichi region. A more detailed discussion is provided in Appendix A.

2.3.1 Planned Improvements

Seven of the interviewed accommodation owners/operators indicated plans for improvements to their establishments. It is not known when, and under what circumstances the planned improvements would actually be implemented. Among planned improvements are the addition of a swimming pool and games room at the Wandlyn Inn, a laundry room and landscaping of tennis courts at Pond's Chalet Resort, and the re-roofing and addition of a swimming pool at the River View Motel. Owners of the Inn by the Pond intend to renovate the porch into a tea room for a tea/sandwich service. The owners of the Wharf Inn propose to increase the number of guest rooms and to add large conference facilities. The development of additional units include two rooms and a bathroom in the attic of both the Miramichi Manor and Inn by the Pond.

EXHIBIT 2-2
RATINGS OF EXISTING ACCOMMODATION ESTABLISHMENTS
Hotels/Motels/Inns in the Miramichi Region

Area of Assessment	POND'S CHALET RESORT Ludlow	TAYLOR'S MOTEL Doaktown	RIVER VIEW MOTEL Newcastle	WHARF INN Newcastle
EXTERIOR:				
signage	+3 on highway and property	-2 needs repair/painting	0 needs to be repainted	+3 on highway and property
parking lot	-3 unpaved; pot holes	+1 no real problems	-1 needs resurfacing, gravel	+1 paved; needs enlarging
landscaping	+2 natural; treed lots	0 shrubs/grass mostly	-2 no attention in this area	+3 parklike; facing river
building	+2 rustic look; relatively new in places	0 will need attention soon; needs painting	-2 needs painting, new roof; general facelift required	+3 new building; kept in good repair
PUBLIC AREAS:				
lobby	-1 use dining room checkout	-3 nothing visible	-2 use bus depot area; poor	+2 very acceptable
front desk	-1 use dining room checkout	-3 use coffee shop	-2 very old, unattractive	+2 too public
restrooms	+2 clean, new in dining room	n/a	-1 very old, unclean, in in coffee shop	+1 small but clean
hall/stair	+3 outside walkways; clean	+2 outside walk	+1 outside sidewalk	+1 dark colour; poor lights
GUEST ROOMS:				
linens/towels	0 standard issue; small	0 standard home style	+1 slightly above standard	+1 standard; in good repair
carpeting	+1 relatively new	+2 relatively new in house	+2 relatively new	+2 clean; relatively new
furniture	0 very basic in design	+2 antique in house	+1 very basic in design	+2 basic in design
T.V./radio	-3 only one chanel	+3 colour set in house	+3 new colour sets with radio	+3 colour with radio
lighting	-3 inadequate	+2 overhead and table lamps	0 average; basic	0 too dark
supplies	0 limited; soap small	+2 home style in house	+1 standard items	+1 standard issue
temperature	-3 no a/c; electric heat	+2 a/c, electric heat	+1 a/c, electric heat	+3 a/c, electric heat
security/door	+1 regular locking system	n/a in house	+1 regular locking system	+3 double locks
bathroom	-1 small; no bath	+2 regular in house	+1 above average size/design	+1 small; no shelf
FACILITIES:				
restaurant	+3 rustic; clean; new; good menu; seats 100	-2 dirty; small; breakfast only; seats 20	-1 dirty; needs repair; breakfast only; seats 20	+3 excellent menu, layout, view; good service
lounge	+2 part of dining room	n/a - not licensed	n/a - not licensed	+3 renovated; entertainment
swimming pool	n/a - use river	+1 20'x40' home style;	n/a	+3 new; jacuzzi;patio access
exercise/games	+1 new tennis court	n/a	n/a	n/a
MEETING ROOMS	+2 motel: seats 50-60; fully serviced; a/v available +1 lodge: good	-3 use pool area for meetings	n/a	+2 old lounge area; good lighting, furniture; a/v +1 use converted bedrooms

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EXHIBIT 2-2 (Continued)
Hotels/Motels/Inns in the Miramichi Region

Area of Assessment	WANDLYN INN Newcastle	FUNDY LINE MOTEL Newcastle	MORADA MOTEL Chatham	ELDA'S MOTEL Chatham
EXTERIOR:				
signage	+2 on highway and property	+2 very visible	+2 lit; not just on highway	0 very basic
parking lot	+2 paved; in good repair	+2 paved; in good repair	+3 newly paved	-1 gravel; needs paving
landscaping	+2 limited space	+2 well kept grass; flowers	+3 well maintained	-1 very basic
building	+1 older; could be upgraded	+1 needs some repair	+2 well maintained; painted	-1 generally maintained well
PUBLIC AREAS:				
lobby	+1 small but useable	0 use part of coffee shop	+2 part of coffee shop	-1 small
front desk	+1 small; needs facelift	0 very basic design	+2 part of coffee shop	-1 small
restrooms	+1 small; clean; maintained	0 average; clean	+2 clean; well maintained	n/a
hall/stair	+1 minimal inside; sidewalk	0 sidewalk needs repair	+2 sidewalk outside	-1 sidewalk outside
GUEST ROOMS:				
linens/towels	+1 standard; in good repair	+1 standard; in good repair	+2 new; standard	+1 standard issue
carpeting	+2 clean; replacing in areas	+1 old; visible stains	+2 new; clean	+1 newly installed; basic
furniture	+2 basic in design	+1 old; basic in design	+2 basic in design; new	+1 newly installed; basic
T.V./radio	+2 separate T.V. and radio	+3 new sets with radio	+3 colour; radio chanel	0 no colour
lighting	+1 adequate	+2 adequate lighting	+2 adequate	0 not adequate
supplies	+1 standard issue	+1 standard issue	0 standard issue	0 standard issue
temperature	+2 older system; a/c	+2 a/c, electric heat	+2 a/c, electric heat	0 no a/c
security/door	+1 need double locks	+2 chain and regular lock	+2 chain on door	0 need double locks
bathroom	+1 needs grouting	+2 older; extra sink/vanity	+2 small sink; no shelf	+1 basic in design
FACILITIES:				
restaurant	+1 old; needs facelift	-1 coffee shop: old design, stark and plain	+1 coffee shop for breakfast	n/a
lounge	+1 dark; seats only 32	n/a	n/a	n/a
swimming pool	n/a	n/a	n/a	n/a
exercise/games	n/a	n/a	n/a	n/a
MEETING ROOMS	-1 banquet hall need face-lift; small; difficult access; poor furniture and carpeting	-1 converted bedroom for small meetings; furniture old, poor; too small - for 15 maximum	+2 two rooms in Portage Restaurant; good repair; fully licensed; full food service	n/a

EXHIBIT 2-2 (Continued)
Guest Homes/Bed & Breakfast Establishments in the Miramichi Region

Area of Assessment	GOVERNOR'S MANSION Nelson-Miramichi	MIRAMICHI MANOR Nelson-Miramichi	INN BY THE POND Doaktown
EXTERIOR:			
signage	+1 many signs; wood	+1 one sign on roadway	+2 sign on highway
parking lot	0 very basic	0 gravel driveway	+3 newly paved driveway
landscaping	0 needs more care	+1 regular house garden	+2 regular house garden
building	-1 needs painting, repair	+2 recently restored, painted	+3 recently restored, painted
PUBLIC AREAS:			
lobby	n/a - use front hall	n/a	n/a
front desk	n/a - use table in hall	n/a	n/a
restrooms	n/a	+3 house bathroom	+3 two house bathrooms
hall/stair	-1 needs repair	+3 recently renovated	+3 hardwood floors; carpet
GUEST ROOMS:			
linens/towels	-1 home style; old; worn	+3 excellent quality; new	+3 excellent home quality
carpeting	-1 poor; mix match of style	+3 refinished hardwood floors	+3 hardwood floors/carpet
furniture	-1 antique in poor condition	+3 refinished antiques	+3 antiques refinished
T.V./radio	-3 only one in living room	+2 common useage upstairs	+2 common room upstairs
lighting	-1 adequate	+3 full service	+3 full service
supplies	-1 inadequate; guests bring	+3 "extras" as found in home	+3 "extras" as found in home
temperature	0 no a/c; heating not good	0 no a/c	+3
security/door	-1 regular house locks	0 regular home style	0 regular home style
bathroom	-1 share facilities	+3 rewly renovated; shared	+3 newly renovated; two
FACILITIES:			
restaurant	-1 breakfast room of main house; long tables	+3 breakfast in dining room; excellent furnishings	+3 breakfast in dining room
lounge	n/a	+3 use living room	+3 use living room
swimming pool	n/a	n/a	n/a
exercise/games	n/a	n/a	n/a
MEETING ROOMS	-1 could use some room of house; not designed for meetings	n/a	n/a

EXHIBIT 2-2 (Continued)
Cabins and Campsites in the Miramichi Region

Area of Assessment	RIVER VIEW COTTAGES Doaktown	RIVER SIDE CABINS Doaktown	RED PINES PROVINCIAL PARK Boiestown	FAMILY PLAYGROUND Loggieville
EXTERIOR:				
signage	-3 no sign at all	+1 misrepresented		+3 on highway and property
parking lot	-3 no parking area	+2 well paved	-3 natural field	0 natural parking
landscaping	-1 natural	+3 excellent grounds	0 natural	+2 well cut grass
building	-1 older buildings	+3 well kept facilities	n/a	+2 well maintained
PUBLIC AREAS:				
lobby	n/a	n/a	n/a	+1 part of store
front desk	n/a	n/a	n/a	+1 part of store
restrooms	n/a	n/a	n/a	+1 clean; good location
hall/stair	n/a	n/a	n/a	+1 in buildings; clean
GUEST ROOMS:				
linens/towels	-1 older; basic	-1 old; basic	n/a	n/a
carpeting	-3 linoleum floor	-3 linoleum floor	n/a	n/a
furniture	-2 older; basic	0 older; basic; well kept	n/a	n/a
T.V./radio	n/a	n/a	n/a	n/a
lighting	-2 old; exposed bulbs	0 basic	n/a	n/a
supplies	-2 old; limited	+1 standard issue	n/a	n/a
temperature	-3 no a/c; gas heat	-2 no a/c; electric heat	n/a	n/a
security/door	-2 very basic	+1 basic chain lock	n/a	n/a
bathroom	-2 small; shower only	1 clean; neat; shower only	n/a	n/a
FACILITIES:				
restaurant	n/a	n/a	n/a	+1 convenience store
lounge	n/a	n/a	n/a	n/a
swimming pool	n/a	n/a	n/a	0 pool is old; needs repair
exercise/games	n/a	n/a	-2 playground area	+3 excellent games room
				+1 laundry facilities
MEETING ROOMS	n/a	n/a	n/a	+1 use games for meetings of camp groups

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2.3.2 Suggested Improvements

Potential areas of improvement for each establishment were identified during the assessment of accommodation supply. Examples of these suggested improvements are provided in Exhibit 2-3. These suggestions represent the opinion of an experienced hospitality consultant and provide an indication of the types of improvements which may be required for accommodation establishments in the Miramichi region. A more detailed review for all establishments is provided in Appendix A.

EXHIBIT 2-3: SUGGESTED IMPROVEMENTS FOR SELECTED EXISTING ACCOMMODATION ESTABLISHMENTS

Establishment	Suggested Improvements
Wharf Inn	. Expansion of parking area; . Addition of bathroom shelves; . Higher wattage lighting; . Repainting.
Wandlyn Inn	. Renovate banquet room; . Upgrade carpets; . Upgrade furnishings and light fixtures; . Refurbish lounge; . General upgrading; . Re-paint exterior and balcony.
Fundy Line	. Repair exterior; . Improve walkways; . Redesign reception area and coffee shop.
Pond's Chalet Resort	. Pave driveway and parking lot; . Upgrade bathrooms, i.e. shelves, larger sinks, quality shower curtains; better quality linen and towels; . Addition of satellite dish or VCR; . Exercise area; sauna; jacuzzi; pool.

EXHIBIT 2-3: CONTINUED

Establishment	Suggested Improvements
River View Motel	. Resurface and landscape property; . Provide licensed food and beverage facility;
Folynwood Motel	. Expand restaurant.
Governor's Mansion	. General upgrading; . Paint and repair building; . Upgrade furniture.
Inn by the Pond	. Addition of a VCR; swimming pool, jacuzzi, sauna/ exercise spa.
Fairyland Campground	. Pave the roadway; . Upgrade swimming area; . Provide additional recreation facilities such as a jacuzzi, exercise room or tennis court.

2.4 Planned New Accommodation Establishments

Two planned new additions to the accommodation supply of the region include: Journey's End Motel and the introduction of guest rooms to the Village Inn. It is not known if, when, and under what circumstances these projects would actually be implemented.

Journey's End Motel, Newcastle

At the time of writing this report it appears that there will shortly be a rezoning from residential to commercial of seven hectares of property situated at King George Highway and Edward Street. Newcastle town council has already given first reading

to the rezoning bylaw in response to an application by Journey's End. It is reported that the Motel will have 62 guest rooms.

Journey's End Motels offer budget type accommodation facilities which compete effectively against economy and medium priced accommodations. They offer a better quality guest room than economy establishments, and lower prices than the mid-range hotels.

Journey's End Motels generally offer only guest rooms, although they attempt to locate beside restaurants so that their guests have the convenience of food and, possibly, beverage service. They do not have meeting rooms, swimming pools or fitness facilities.

The accommodation establishments in the area which will be most affected by the Journey's End competition will be ones which do not offer good quality, well maintained guest rooms and other significant services and amenities. Hotels/motels of lesser quality or which have allowed their plant to deteriorate or become outdated may not find it economical to invest the capital required to upgrade. Lower quality existing establishments will be increasingly forced to focus only on the low-priced economy market.

Village Inn, Newcastle

The Village Inn is presently a restaurant operating just outside of Newcastle. It is divided into a dining room and coffee shop on the main level, seating 60 and 20 respectively, and has a 100 seat banquet hall on the lower level. The dining room is regarded by many as one of the best in the region. The business also does catering to the neighboring businesses and factories, has operated the canteen in the adjacent Enclosure Provincial Park, and caters to the arena in Newcastle.

The owner has plans to expand the existing operation to include more meeting rooms and a motel wing of approximately 15-25 units, which would run north of the existing building and would have a view of the river and adjoining bridge. In addition, the front of the existing building would be renovated to include a solarium eating area, a licensed lounge and new washrooms. The basement banquet hall would also be upgraded.

The owner feels there is a strong need to provide such a facility to the corporate market and has been encouraged by the pulp and paper mills he now caters to develop such a facility.

3.0 ACCOMMODATION DEMAND

An overview of historic visitation has been based upon information gleaned from secondary sources such as the DPA and Frank Wolman Associates Accommodation Market Studies prepared for Newcastle, the Woods Gordon study prepared for the Miramichi Tourism Strategy and the Roche study prepared for the Gloucester County/Alnwick Parish Tourism Strategy. As well, relevant material was obtained from various auto exit surveys, motor coach group tours and other reports available from the New Brunswick Department of Tourism, Recreation and Heritage. This information was supplemented by DPA through a telephone survey of bus tour operators to obtain information on visitation patterns of bus tour groups in New Brunswick and by telephone surveys by Frank Wolman Associates of companies, institutional demand generators and the association meeting market.

3.1 Tourist Visitation

In 1983 (most recent Auto Exit Survey data available), about 103,000 parties visited Newcastle-Chatham; about 34,200 parties visited the Renous area and 8,300 parties visited the Boiestown and Doaktown areas.

As shown in Exhibit 3-1, the most dramatic growth from 1974-1983 occurred in the Renous area where tourist traffic more than tripled over the nine year period. Although an exact explanation for this dramatic increase is difficult to substantiate, one determinant of the growth may be the paving of the Plaster Rock-Renous highway. Newcastle-Chatham also experienced growth in tourist traffic of approximately 27% over the 1974-1983 period even though tourism was down in 1980.

EXHIBIT 3-1: TOURIST TRAFFIC FLOW, MIRAMICHI REGION, 1974-1983

Location	1974	1977	1980	1983	Difference 1974-1983	% Change
Newcastle/ Chatham	81,412	93,876	72,763	102,997	21,585	26.5
Boiestown	9,210	8,913	7,505	8,301	-909	-9.9
Doaktown	8,656	8,788	7,282	8,371	-285	-3.3
Renous	8,417	9,659	17,667	34,227	25,810	306.6

Source: Tourism New Brunswick, Auto Exit Survey 1974-1983

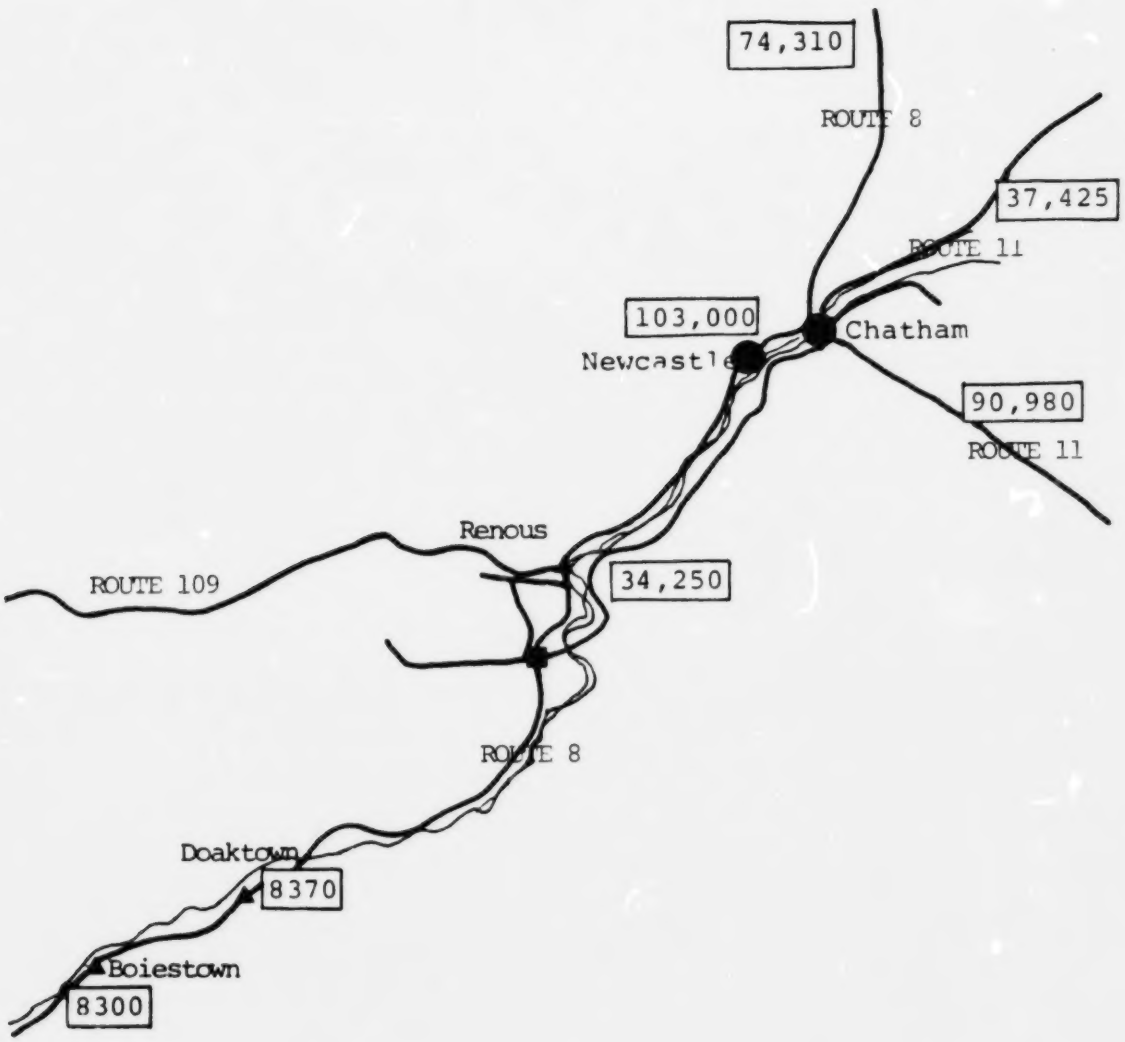
Tourist traffic through the Miramichi Region flows primarily in a north-south direction (as illustrated in Exhibit 3-2). In 1983, total tourist traffic on Route 8 between Newcastle and Bathurst measured 74,310 parties and traffic on Route 11 was 90,980 parties (between Chatham and Kouchibouguac National Park).

3.1.1 Tourism Market Characteristics

Origin of Visitors

Exhibit 3-3 details the characteristics of tourist parties passing through the Miramichi region in 1983. The major origin of visitors to the Newcastle/Chatham area was Ontario and Quebec; comprising 62% of tourists to the area. The Renous area also received a majority of visitors from Ontario and Quebec (52%) but unlike other regions, it also received a large percentage of its visitors from Nova Scotia (24% compared to 15% in Newcastle/Chatham and 3% for Boiestown and Doaktown).

EXHIBIT 3-2 NON-RESIDENT TOURIST TRAFFIC FLOW, 1983 (PARTIES)



The Boiestown-Doaktown area is unique in that many tourists are of U.S. origin; approximately 43%, compared to 14% and 12% of the Newcastle/Chatham and Renous areas respectively.

EXHIBIT 3-3: TOURISTS AND EXCURSIONIST PARTIES PASSING THROUGH THE MIRAMICHI REGION, 1983

Characteristic	Newcastle/ Chatham No.	%	Boiestown No.	%	Doaktown No.	%	Renous No.	%
1. Region of Origin								
Quebec	40,742	40	1,794	22	1,715	20	7,596	22
Ontario	22,358	22	1,267	15	1,443	17	10,190	30
Nova Scotia	15,254	15	263	3	263	3	8,119	24
Other Canada	10,646	10	1,429	17	1,467	18	4,159	12
United States	13,997	14	3,551	43	3,486	42	4,184	12
2. Month of Exit								
May	2,843	3	592	7	604	7	1,796	5
June	7,228	7	605	7	591	7	1,883	6
July	48,392	47	3,384	41	3,331	40	13,412	39
August	25,957	25	2,033	24	2,016	24	7,071	21
September	12,521	12	982	12	1,087	13	8,923	26
October	6,056	6	742	9	742	9	1,162	3
3. Purpose of Visit								
Sightseeing	55,097	53	3,449	42	2,248	40	11,471	34
Visiting Friends & Relatives	28,297	27	2,136	26	2,308	28	13,706	40
Passing Through	12,392	12	906	11	906	11	6,191	18
Other	7,210	7	1,810	22	1,809	22	2,878	8

Source: Tourism New Brunswick, N.B. Auto-Exit Survey, 1983

Seasonality

The peak visitation months are July and August for the Miramichi region, with an average of 42% and 24% of parties exiting the

region in July and August respectively. Visitation in the shoulder season ranged generally from 7-13% of parties exiting the region, with the only major anomaly being Renous with 26% exiting in September.

Purpose of Visit

Sightseeing ranked as the major purpose of visit in all areas except the Renous area where visiting friends and relatives was cited as the main purpose of their visit (sightseeing ranked second). Visiting friends and relatives was the second major purpose cited by tourists in Newcastle/Chatham, Boiestown and Doaktown. Another purpose of visiting cited by tourists was passing through the area.

3.1.2 Historical Occupancy

Roofed accommodation occupancy rates for the Fredericton to Newcastle/Chatham area are shown in Exhibit 3-4. Generally, occupancy rates have increased steadily during the 1981-1986 period, for peak, shoulder and off seasons. For example, occupancy rates have increased 19 percentage points from July 1983 to July 1986. What is more interesting however, is that for the month of January, occupancy rates have increased 13 percentage points from January 1983 to January 1987. This rate of increase is unusually high for the off season. In the Newcastle/Chatham area, high off-season occupancy rates were attributable to recent construction activities, such as the Repap Mill, Atlantic Institution and N.B. Power installations.

EXHIBIT 3-4: ROOFED ACCOMMODATION OCCUPANCY RATES, FREDERICTON TO NEWCASTLE AND CHATHAM AREA

	1987 %	1986 %	1985 %	1984 %	1983 %	1982 %	1981 %	1980 %
January	54	60	42	44	41	36	38	47
February	51	68	48	48	49	52	44	48
March	47	48	47	48	52	44	43	48
April	56	77	53	49	49	49	45	42
May	56	74	65	58	52	58	50	57
June		77	69	68	57	66	68	67
July		88	83	71	69	75	74	75
August		84	82	65	68	70	73	68
September		76	76	58	67	68	65	65
October		74	71	52	53	49	45	63
November		62	62	52	50	45	43	46
December		49	48	35	31	33	31	33

Source: N.B. Department of Tourism, Recreation and Heritage

Off season occupancy declined in 1987 as these projects were completed. For example, February 1987 occupancy dropped by 17 percentage points from February 1986. It may be speculated that off season occupancy will continue to decline to pre-September 1985 levels as the influx of workers into the area declines.

The estimated occupancy rates for specific establishments in the Miramichi region during the last year were given in Exhibit 2-1 (see Chapter 2). A more detailed analysis of the occupancy rates in the region is given in Chapter 4.

3.1.3 Motorcoach Tours

A significant and growing market in New Brunswick consists of motorcoach tours. Exhibit 3-5 presents statistics on motorcoach tour nights in New Brunswick and in the Bathurst to Newcastle region.

In 1986, there was a total of 2,408 tour nights in New Brunswick. This was the highest number of tour nights in the past five years and was more than 10% higher than 1985. Bathurst to Newcastle tour nights accounted for 6.1% of the provincial total in 1986. This presents a slight increase from the 5.6% capture rate in 1985. In total, there were 147 tour nights in Bathurst to Newcastle region in 1986. This represents a 20% increase from 1985. This data suggests that the motorcoach tour market may be increasing in significance in the Bathurst to Newcastle region.

EXHIBIT 3-5: MOTORCOACH TOUR NIGHTS, 1979-1986

	----------TOUR NIGHTS---------		
	Bathurst to Newcastle	New Brunswick	Bathurst to Newcastle as a % of Provincial Total
1979	67	1,818	3.7
1980	102	2,205	4.6
1981	142	2,490	5.7
1982	172	2,238	7.7
1983	112	2,231	5.0
1984	104	1,994	5.2
1985	122	2,181	5.6
1986	147	2,408	6.1

Note: 1 Tour night = 1 Bus staying 1 night

Source: New Brunswick Department of Tourism, Recreation and Heritage, Motorcoach and Group Tours, 1979-1986.

A telephone survey was conducted of major motorcoach operators to obtain information on visitation patterns of tour groups in New Brunswick. This survey revealed that Newcastle/Chatham is generally a pass-through point for tours coming from or going to the Bathurst region. None of the operators surveyed had tours destined for the Miramichi region, rather, the increase in tours to the Bathurst region are those primarily interested in touring the Acadian heritage areas such as the Village Acadien Historique in the northern part of the province. These tours tend to use Bathurst as a stop over point due to its close proximity to the Acadian heritage sites and available supply of quality accommodations.

Tour operators who had previously provided tours to New Brunswick noted that the northern areas, other than the Acadian region, did not appeal to their markets and were discontinued accordingly. The general consensus as to why tours were not provided to the Miramichi region was a lack of significant attractions that would make Newcastle/Chatham a valid stop over point. The majority of tours coming to New Brunswick focus on the southern portion of the province, visiting Fredericton, Saint John, the Fundy Coast and Moncton. These tours are usually part of an Atlantic Canadian tour featuring the coastline and historic sites.

The tour operators interviewed tended to utilize quality accommodation such as national chains with all the amenities (i.e., pool, restaurant etc.). Although not specifically expressed as a deterrent to visiting the Miramichi region, a lack of quality facilities makes the region less attractive to the primarily female, middle income and middle to elderly aged market which the tours cater. Exhibit 3-6 provides detailed interview results.

EXHIBIT 3-6: MOTOR COACH TOUR MARKET CHARACTERISTICS

TOUR OPERATOR	STOP OVER POINTS	PASS THROUGH POINTS	ACCOMMODATION	ATTRACTIONS VISITED	MARKET PROFILE	MINIMUM CAPACITY	EXPANSION PLANS TO MIRAMICHI	OTHER COMMENTS
Groupe Voyages Quebec	Bathurst Fredericton	Acadian Region Saint John River Saint John	1st class; hospitality is a key factor	historic sites such as King's Landing and Village Acadien; Acadian culture a key componet	50+; married; middle Class; high % European	40	none	market desires cottage/villa type accommodation
Trentway - Wagar Inc.	Fredericton Saint John	N.B. used as a pass-through point en route to N.S. and P.E.I.	1st class; use major chains	civic tour of Saint John is the only major N.B. attraction as majority of time spent in N.S. and P.E.I. visiting beaches, coastal areas, historic sites, points of interest, theatre etc.	seniors; majority female; middle class; growing % European		none	N.B. not promoted as a tour destination as attractions are not geographically concentrated and are time consuming to visit given a 13 day Atlantic tour
White Star Tours	Saint John	Moncton en route to Cabot Trail	1st class ; clean; all amenities	Reversing Falls; Civic Tour; historic sites; points of interest; Magnetic Hill	seniors; middle class	30-40 avg. 42	none	N.B. attractions not demanded by the market; N.S. and P.E.I. are desired destinations
Maupintour Inc.	Saint John Fredericton Moncton	along the Fundy Coastline en route to P.E.I. & N.S.	1st class;	Fundy National Park; King's Landing; Civic tours of Saint John and Fredericton; scenic areas; historic points of interest	50+; middle class		none	
Atlantic Tours	Bathurst Fredericton Saint John	Acadian region, Fundy Coastal areas	clean; friendly; not necessarily 1st class	Fundy National Park; King's Landing; Hopewell Rocks; Acadien Village; other scenic and historic points	50+; middle class; high % from southern states		none	N.B. tours have not sold in the past; only those featuring the Acadian heritage were successful
Tours Exode	Saint John	Grand Falls and Moncton en route to N.S. and P.E.I.	1st class	Civic Saint John, Magnetic Hill, Village Acadien, and other scenic and historic points	60+; majority female; middle income		none	
Nova Tours	Fredericton Edmundston	St. Stephen and Fundy Coast en route to N.S. and P.E.I.	clean; friendly; not necessarily 1st class	feature scenery, provincial parks and historic points of interest	50+; majority female; middle class	30 max 47	none	Miramichi region does not appeal to market targetted

3.2 Special Events Market

For the purpose of assessing the impact of special events on accommodation demand in the Miramichi region, interviews were conducted with organizers of these events.

The major special events in the region include the Miramichi Folk Song Festival, the Irish Festival and the Miramichi Agricultural Exhibition. Other events include sporting events and concerts. An elaboration of these special events is provided below.

3.2.1 Irish Festival

The Irish Canadian Cultural Association of New Brunswick annually hosts a three day Irish festival during July in the Miramichi region generally in Newcastle/Chatham. The attendance at this festival was 10,000 people in 1984, 12,500 in 1985; and approximately 19,000 in 1986. It is expected that there will be a substantial increase in attendance during 1987 as ticket sales have more than doubled in comparison with 1986; 3,688 festival tickets were sold by the end of June in 1986; compared to 10,000 for the same period in 1987 (attendance figures for 1987 will be provided in the final report).

It is not known what percentage of attendees do not reside in the Miramichi region, however, it is suspected that most attendees are not from the area. All accommodation facilities in the Miramichi area were fully booked by the end of May for the Irish festival scheduled for mid-July of this year. The festival organizers also maintain a listing of 20 homes that provide bed and breakfast during the Irish festival weekend. These accommodations are not sufficient to accommodate festival attendees. Many attendees stay with friends and relatives, some stay at accommodations in other areas such as Moncton, while

others sleep in trailers or vehicles. Very few stay at campgrounds.

The demand for accommodation during the Irish festival is expected to increase as a result of promotion and increased attendance. The festival has been promoted through special supplements to newspapers in New Brunswick. News releases on the festival appeared in the "Irish Echo" in New York (circulation of 60,000), "Irish Advocate" in New York, "Irish Post" in London, England and other Irish papers in the United States and Ireland.

Festival organizers have stressed the need for a variety of accommodations in different price ranges, including motels (with cooking facilities), bed and breakfast establishments and campground facilities. Organizers have also indicated that over-booking of motel establishments has been a problem during the festival weekend.

Festival organizers are considering scheduling festival events over two weekends in the future. This would have an effect of reducing the demand for accommodation, and thus alleviating some of the resulting problems during the three day period. Another option would be to re-schedule the Festival for the shoulder season.

3.2.2 Miramichi Folk Song Festival

The Miramichi Folk Song festival has developed from a weekend event into a week long festival featuring traditional music. Attracting visitors from various parts of the Maritimes and Canada, the festival is also attended by tourists passing through the area who were unaware of the thirty year old festival.

Total attendance figures for the festival are not available. However, visitation was estimated to be in excess of 300 in 1986.

Since 1984 when a new coordinator was appointed, attendance has increased as a greater promotional effort has been undertaken and although there are no definite plans for growth, the coordinator is optimistic about future attendance.

The impact this event has on accommodation needs was thought to be minimal. This type of event draws a unique crowd seeking any type of accommodation available in order to attend the event. Thus, accommodation required by this market is very basic. For example, the coordinator suggested that development of bed and breakfast facilities in the area would suit the needs of this customer segment very well. It was also noted that bed and breakfast establishments open on a seasonal basis would effectively match the seasonal demand for accommodation in the area and that there are numerous older homes in the area that could be altered to meet this need.

3.2.3 Miramichi Agricultural Exhibition

The Miramichi Agricultural Exhibition is one of several fairs and exhibitions which occur throughout the province from late July to November. The Miramichi exhibition features livestock, crafts and a midway. This takes place each August and has been in operation for 64 years.

As shown in Exhibit 3-7, attendance in 1986 was 30,264. This represents a 9.3% increase over 1985, however, it has been below attendance levels during 1981-1983. Attendance projections for 1987 and 1988 are optimistic, however, as increased promotional efforts will be undertaken.

The impact this event has on accommodation needs is minimal. An estimated 26%, or 7,800 visitors are non-residents, many of whom utilize trailer facilities (which are to be expanded) on the exhibition grounds, or in the area. It is believed that others

were attending for the day and did not require accommodations in the area or stayed with friends and relatives. In the medium term, plans for growth are not such that would require substantial accommodation facilities.

Perhaps one other notable feature is the exhibition complex itself. It houses a dance hall capable of seating 525, a large exhibition area, a curling rink which is not utilized in the off-season, and a number of smaller meeting rooms. The facility has been used in such capacities as a bingo hall, reception hall, convention hall, for class reunions and more recently, the curling rink was used to accommodate a function for the Festival of Praise. Although under-utilized at present, improved promotion of these facilities would require increased accommodation.

EXHIBIT 3-7: PAID ADMISSIONS, MIRAMICHI AGRICULTURAL EXHIBITION

Year	Paid Admissions
1980	25,033
1981	32,309
1982	31,441
1983	31,309
1984	29,306
1985	27,677
1986	30,264

3.2.4 Other Summer Events

There are a number of other events occurring in the region during the summer that have an impact on accommodation requirements. For example, the new Miramichi Civic Centre has the capability to house a variety of events. One such event that took place in the

summer of 1987 was Discovery '87. This was an official opening for the ports of Newcastle and Chatham which featured a reception as well as a trade show. It was estimated that attendance at the event was approximately 3000 over the three day trade show with up to 300 persons requiring accommodation (including the 75-100 exhibitors). It is hoped that this event will be held again next year with the possibility of it becoming an annual event. Other events scheduled for the summer of 1987 for the Civic Centre are a rock concert, a family reunion, one or two political conventions and a Modern Living show.

Two other events held this year also had an impact on accommodation in the region - the Rita McNeil concert and the New Brunswick Firefighter Competition. The latter of these drew approximately 2500 spectators with some 750 from out of town.

3.3 Commercial Demand

The commercial market generally represents 50% to 70% of guest room hotel occupancy. For a number of the establishments in the area, particularly in Newcastle, the commercial market is at the high end of this range. The commercial market is thus of primary importance in assessing potential guest room and meeting demand.

Exhibit 3-8 and 3-9 detail the accommodation and meeting room demand by companies in Newcastle, Chatham, Red Bank and Little River.

Over the past few years a number of economic developments have contributed to a boom in room demand in the area. These included:

- the expansion of the Repap mill and woodlands operation;

EXHIBIT 3-8

COMPANIES IN NEWCASTLE AS DEMAND GENERATORS
(ranked from highest to lowest accommodation useage)

NAME OF COMPANY	EXISTING ACCOMMODATION	POTENTIAL ACCOMMODATION	EXISTING MEETINGS	POTENTIAL MEETINGS
Miramichi Pulp & Paper (Repap)	Mill operation generates 1,800 room-nights per year, double the level of 1984. Some additional visitors for woodlands operation. Mainly using Wharf Inn and Wandlyn. Visitors often report difficulty finding accommodation on week nights.	Current room-night demand expected to continue in future. Require more good quality rooms in Newcastle, particularly during week nights.	Five departments of mill operation hold quarterly staff meetings, sometimes in hotels, often in own conference room. Use hotels for union negotiations, usually the Wandlyn or the Wharf.	Larger banquet room for parties and other functions in Newcastle.
M.F. Eason & Sons (and Public Harbours Advisory Council)	About 180-200 vessels per year, double the number five years ago. About 3 or 4 persons per boat require overnight accommodation. Wharf Inn is used more than other establishments in Newcastle because is higher quality.	Potential room night demand likely to increase if free trade agreement with U.S.A.; Agents and salespeople would seek highest quality accommodation nearby.	Meetings held mainly at Wharf Inn because higher quality environment.	Larger meeting/banquet room required in Newcastle.
Irving Oil	Generate about 150 room-nights per year, mostly to Wharf, followed by Wandlyn and Fundy Line. Quality main determinant of selection.	Planned expansion of Irving operations would create more room-night demand.	Two meetings per year for 20-40 persons held mainly at the Legion Hall or the Village Inn.	Larger meeting facilities necessary in hotels.
Hoyt's Moving & Storage	Drivers use about 100 nights per year, mostly at the Riverview because it is closest to the plant and is less expensive.	Drivers likely to continue to select low cost nearby accommodation.	Meeting facilities not used.	Not likely.

EXHIBIT 3-8 (Continued)
COMPANIES IN NEWCASTLE AS DEMAND GENERATORS
(ranked from highest to lowest accommodation useage)

NAME OF COMPANY	EXISTING ACCOMMODATION	POTENTIAL ACCOMMODATION	EXISTING MEETINGS	POTENTIAL MEETINGS
Domtar Chemicals	About 70-75 room-nights per year at Wharf and Wandlyn. The Wandlyn is considered "noisy" and of lesser quality. Visitors often have difficulty finding accommodation.	Number of employees currently 14, down from 45. Uncertain as to future of operation and therefore room demand.	Meeting requirements limited to union negotiations once a year.	Supports need for larger banquet facility in one of the hotels.
Bank of Montreal	About 12 room-nights per year, mostly to the Wharf because it is closer to the branch and offers better facilities (e.g. restaurant, lounge, pool).	Current level of demand likely to continue. Location and quality are main factors in selecting accommodation.	Mortgage seminars for 15-20 persons held at the Wharf.	Believes conference facility of 75-100 persons is needed.
Canadian Imperial Bank of Commerce	Generate about 10 room-nights per year, split between Wandlyn and Wharf.	Unlikely to generate additional demand.	Not used.	Not likely.
Fundy Cablevision	5-10 persons per year to the Wharf Inn for managers and rotating marketing meetings.	Unlikely for demand to increase.	Social meetings of 25-50 persons three times per year.	Prefer larger meeting/ banquet facilities.
Sunny Corner Mechanical	Few room-nights generated.	Unlikely for demand to increase.	Small meetings of 10-20 persons held quarterly at the Village Inn.	Would invite mechanical and electrical contractors association if 40 rooms available in one hotel with larger meeting rooms.

EXHIBIT 3-8 (Continued)
COMPANIES IN NEWCASTLE AS DEMAND GENERATORS
(ranked from highest to lowest accommodation useage)

NAME OF COMPANY	EXISTING ACCOMMODATION	POTENTIAL ACCOMMODATION	EXISTING MEETINGS	POTENTIAL MEETINGS
Northshore Construction	Few room-nights.	Unlikely for demand to increase but higher quality accommodation needed in area.	Not used.	Not likely.
CFAN Broadcasting	Few room-nights.	Unlikely for demand to increase.	Facilities not large enough in area for small conferences.	Broadcasters conventions (25-120 persons) could be attracted on rotating basis if large, good quality facilities available in Newcastle.
Cadogen Publishing	Very few room-nights.	Unlikely for demand to increase.	Use own facilities for meetings.	Unlikely to require meeting space.
Newcastle Business Association	Very few room-nights.	Unlikely for demand to increase.	Use Wandlyn because can accommodate up to 50 persons. Also use Wandlyn for 30 executive meetings per year (10 to 12 persons)	Need for larger business oriented meeting rooms in Newcastle.

EXHIBIT 3-9

COMPANIES IN CHATHAM, RED BANK AND LITTLE RIVER AS DEMAND GENERATORS
(ranked from highest to lowest accommodation useage)

NAME OF COMPANY	EXISTING ACCOMMODATION	POTENTIAL ACCOMMODATION	EXISTING MEETINGS	POTENTIAL MEETINGS
Northwood Pulp & Timber	Generate about 600 room-nights per year, about half to the Wharf Inn, followed by the Wandlyn and Fundy Line.	Believes industrial boom unlikely to continue, therefore room demand is limited.	Use Wharf and Village Inn for small meetings of 15-20 persons.	Believes meeting facilities of 75-100 persons would be maximum for area.
Canada Cement Lafarge	About 70 room-nights per year, always at Wharf Inn.	Quality is important in selecting accommodation.	Meetings held at Wandlyn because larger, lower priced.	Larger, reasonably priced meeting facilities required.
Texaco Canada	Generate about 12 room-nights per year at Wandlyn and Wharf, but find problem of availability on short notice.	More rooms are required in area to meet demand. Quality is an important factor in selecting accommodation.	Meeting space required for 50-75 persons one or two times per year.	Larger meeting rooms required in area.
Wilson Concrete Pipe (Red Bank)	Visitors generate about 7 room-nights per year at Wharf more than Wandlyn because Wharf's restaurant is better.	Unlikely for demand to increase.	Do not hold off-premises meetings.	Believes Miramichi can attract conventions of up to 100 persons.
William Gregan Ltd.	Few room-nights, limited mainly to Morada Hotel because it is closest.	Location is key issue in selection of accommodation. Prefer additional accommodation in Chatham.	Do not hold off-premises meetings.	Unlikely to require meeting space in future.
Arvin Special Machinery	Few room-nights but find accommodation difficult to find in summer.	Believes that demand for accommodation will decline as paper mill expansion ends.	Monthly meetings of Canadian Manufacturers Association (N.B. branch) held in Fredericton, Moncton or Saint John (50 persons).	Larger meeting facilities required if wish to attract CMA on occasion.

Frank Wolman Associates Inc.

EXHIBIT 3-9 (Continued)
COMPANIES IN CHATHAM, RED BANK AND LITTLE RIVER AS DEMAND GENERATORS
(ranked from highest to lowest accommodation useage)

NAME OF COMPANY	EXISTING ACCOMMODATION	POTENTIAL ACCOMMODATION	EXISTING MEETINGS	POTENTIAL MEETINGS
Canadian Airlines International	Only three persons in Chatham office; unlikely to change in future. Therefore generate few room-nights.	Unlikely for demand to increase.	Meetings for Atlantic Region of airline usually held in Halifax.	Do not foresee need for meeting space.
Heath Steele Mines (Little River)	Company closed operations in fall of 1984, only caretaking and maintenance staff of 23 persons remains. This does not generate much room-night demand.	Uncertainty as to when or if operations will be resumed.	No meeting facilities required.	Unlikely to change unless operations resume.
Jencan Ltd.	Generate very few room-nights but estimates commercial travellers through the area at about 300 per week (mainly males).	Unlikely for demand to increase.	No meeting facilities required.	Believes that area is known for hospitality and should have a conference facility for groups of 50-100 people.

- the construction of the federal penitentiary at Renous;
- port expansion and a significant increase in the number of vessels using the harbour;
- reversal of the decision to close Canadian Forces Base Chatham and bringing it back to its regular complement;
- the opening of the community college in Douglastown;
- the opening of the Miramichi Civic Centre.

New projects which will contribute to room demand include highway changes and bridge relocation.

Changes to air service are under consideration. It is not clear at this time what impact this might have in the long term on the local economy and room-night demand.

In order to test potential commercial demand for accommodation and meeting facilities in the area, representatives were interviewed from 22 companies identified from the "Mighty Miramichi: A Business Directory" as likely to require accommodation and hotel meeting facilities. These included:

- 13 companies in Newcastle;
- 9 companies in Chatham, Red Bank and Little River

The interviews focussed on existing and potential use of accommodation and meeting facilities in the region. The findings of this analysis are detailed in the following tables, and highlights are presented below:

- Establishments in Newcastle and to a lesser extent Chatham will continue to be selected by the commercial market because virtually all main companies are located in those communities.

- During week nights and in the summer months there is currently an inadequate supply of accommodation in the Newcastle/Chatham area.

- Quality is an important factor for the business market in selecting among accommodation establishments.

- Housekeeping (efficiency) units were seen by some as important deficiencies in the accommodation supply, particularly for those transferred to the area and seeking to purchase or rent homes.

- A larger meeting/banquet room (100-150 persons banquet style) is needed in the area, preferably as part of an overall hotel complex.

3.4 Institutional and Government Demand

Public institutions such as courts, prisons, hospitals and educational facilities as well as government departments generate substantial levels of demand for accommodation and meeting facilities. Representatives were interviewed from nine institutions/government departments in the region. Details of their existing and potential use of accommodation and meeting facilities are presented in Exhibit 3-10 while highlights are discussed below:

- Like the commercial market, the quality of accommodation and amenities is an important consideration in selecting among establishments.

EXHIBIT 3-10
INSTITUTIONS/GOVERNMENT DEPARTMENTS AS DEMAND GENERATORS
(ranked from highest to lowest accommodation useage)

NAME OF DEPARTMENT	EXISTING ACCOMMODATION	POTENTIAL ACCOMMODATION	EXISTING MEETINGS	POTENTIAL MEETINGS
Justice Courts (Newcastle)	Trials create demand for several hundred room-nights per year; it is unknown which hotels are used.	The highest quality accommodation will capture most of the demand.	Hold meeteings in building. Generally do not require hotel meeting facilities.	Unlikely for demand to increase.
New Brunswick Community College (Chatham)	Generates about 250 room-nights per year, mostly at the Wharf Inn.	Quality is the key determinant of accommodation selection.	Hold meetings at College.	Rotating meetings of 11 community colleges could be attracted if larger, better equipped meeting facilities were available.
Canadian Forces Base (Chatham)	Use hotels only when own accommodation for about 100 persons is full. This generates about 200 room-nights per year.	Base activity has grown steadily since 1984 after plan to close base was revised.	Sometimes use hotels for teaching courses.	Unlikely for demand to increase.
New Brunswick Telephone (Newcastle)	Generate about 125 room-nights per year, mainly at the Wandlyn followed by the Wharf and Fundy Line.	Current level of demand unlikely to be changed.	Use Wandlyn for weekly Rotary Club meetings of 25-40 persons.	Larger meeting/banquet room required in area.
Atlantic Institution (Renous)	Audit teams from Ottawa generate about 50 room-nights per year. Some additional room-nights from persons visiting inmates. Wharf Inn preferred because of pool and lounge.	Capacity of institution is 240, now only 70 inmates. Most visitors arrive for day trip. Staff seeking longer term temporary accommodation would prefer housekeeping facilities.	Joint corrections and police committee meetings for 30-35 persons held at Wandlyn beacuse is largest.	Larger meeting room required.

EXHIBIT 3-10(Continued)
INSTITUTIONS/GOVERNMENT DEPARTMENTS AS DEMAND GENERATORS
(ranked from highest to lowest accommodation useage)

NAME OF DEPARTMENT	EXISTING ACCOMMODATION	POTENTIAL ACCOMMODATION	EXISTING MEETINGS	POTENTIAL MEETINGS
New Brunswick Electric Power Commission (Chatham)	About 50 room-nights per year, mostly to the Fundy Line because it is closer to Chatham.	Prefer higher quality accommodation. Proximity is a key selection criterion.	Use Legion Hall for 12 district safety meetings, with about 40 persons per meeting.	Unlikely to use hotel meeting facilities because Legion Hall is close by and inexpensive.
Miramichi Hosiptal (Newcastle)	Visiting doctors, administrators and persons visiting patients generate some but not a substantial number of room-nights.	More accommodation required during the week.	Use Wharf Inn for small meetings and Wandlyn for larger social events (about ten per year).	Larger facilities required for social events.
Hotel Dieu Hospital (Chatham)	Generate very few room-nights.	Unlikely for demand to increase.	Use hotels for meetings only when own meeting room booked. Meetings include 25-100 persons for public health, mental health, nurses union, etc. Most other meetings in the 25-35 persons range.	Larger meeting facilities required, preferably in Chatham.
Department of Fisheries and Oceans (Newcastle)	Shift of area office from Newcastle to Tracadie has reduced room-nights in Miramichi.	Unlikely for demand to increase.	Use own conference room for meetings; regional meetings held in Moncton.	Unlikely for demand to increase.

- Most of the institutions/government departments have their own meeting facilities so that smaller meeting facilities in hotels are not widely used.

- There is strong support for a larger meeting/banquet facility in the area.

In addition to the institutions reviewed, the opening of the Miramichi Civic Centre is expected to generate a large number of room nights for sports teams and groups which travel, often with their families, for league and social competitions.

3.5 Association Meeting Market

Associations which rotate their meetings are an important source of business for accommodation establishments which serve the meetings market. Frank Wolman Associates Inc. conducted a telephone survey of 52 associations based in Fredericton, Moncton or Saint John over the late spring to early summer period of 1987. This section of the report analyses the results of this survey. The associations were selected randomly from telephone books. These associations were categorized by geographic mandate as follows:

. New Brunswick Associations	(26 respondents; 50%)
. Maritime/Atlantic Associations	(7 respondents; 13%)
. National Associations	(16 respondents; 31%)
. International Associations	(3 respondents; 6%)
. Total Associations	(52 respondents)

Meeting and accommodation patterns of these associations are analyzed in Exhibits 3-11, 3-12, 3-13 and 3-14, while highlights are presented below:

EXHIBIT 3-11
NEW BRUNSWICK ASSOCIATIONS AS DEMAND GENERATORS

Page 1 of 7.	BUCKLE UP BABY (Fredericton)	METIS AND NON-STATUS INDIAN DEVELOPMENT CORPORATION OF N.B. (Fredericton)	N.B. AMATEUR HOCKEY ASSOCIATION (Fredericton)
ROTATING MEETINGS IN N.B.	No - Board operates out of Fredericton but may be new directives whereby meetings will rotate.	Yes - Board meetings held in Fredericton; meet by zones in Newcastle, Edmundston, Moncton, St. John, Bathurst.	Yes - Newcastle often; also St. John, Moncton, Fredericton; occasionally Edmundston, Bathurst.
NUMBER ROTATING MEETINGS	(possibly will be rotating)		
OF: OVER 200 PERSONS	0	1	1
100-200 PERSONS	0	3	1
50-100 PERSONS	0	2	0
UNDER 50 PERSONS	3	10	10+
AVERAGE LENGTH OF STAY	2 nights	1-2 nights	1-2 nights
MONTH OF MEETINGS	1 - May or June 1 - October or November 1 - other months	Annual meeting in July or August others held in January, February, March or June.	Large meetings in September, others in January, March, May and September.
ESSENTIAL FOR DELEGATES TO STAY IN SAME HOTEL	No - but usually they do because of discounts with meeting facilities.	Yes - can monitor delegate charges and save on costs. Also more convenient.	Yes - for convenience.
RECENT MEETING IN MIRAMICHI	No - only 1 person in Newcastle. Also, do not as yet have meetings outside of Fredericton.	Yes - in Newcastle.	Yes - in Newcastle.
IF YES:			
MEETING FACILITIES USED	n/a	Wandlyn	Wandlyn
RATING		good	good
COMMENTS		Meeting room was small.	Never had any problems.
ACCOMMODATION USED	n/a	Wandlyn	Wandlyn
RATING		good	good
COMMENTS		It was okay.	Not the newest facilities; rates are good.

EXHIBIT 3-11(Continued)
NEW BRUNSWICK ASSOCIATIONS AS DEMAND GENERATORS

Page 2 of 7.	N.B. HOSPITAL ASSOCIATION (Fredericton)	N.B. MUTUAL INSURANCE ASSOCIATION (Fredericton)	ASSOCIATION OF PROFESSIONAL ENGINEERS OF NEW BRUNSWICK (Fredericton)
ROTATING MEETINGS IN N.B.	Yes - all areas of N.B., mostly major centres, occasionally smaller centres.	Yes - mostly in Fredericton; sometimes take meetings to smaller centres.	Yes - annual meetings held in Saint John, Moncton, Fredericton, Bathurst or Edmundston.
NUMBER ROTATING MEETINGS			
OF: OVER 200 PERSONS	2	0	1
100-200 PERSONS	0	2	0
50-100 PERSONS	0	0	0
UNDER 50 PERSONS	25-30	0	6
AVERAGE LENGTH OF STAY	2 nights	1-2 nights	1-2 nights
MONTH OF MEETINGS	Meetings from March to June and September to November.	April or May and October.	from February to April and in June, July, September and November.
ESSENTIAL FOR DELEGATES TO STAY IN SAME HOTEL	No - but often do because of preferred rates and convenience.	No -but preferred.	No - but preferred.
RECENT MEETING IN MIRAMICHI	Yes - in Newcastle.	No - Fredericton is more central. Newcastle on territory perimeter, had not even thought to go there.	Yes - in Newcastle.
IF YES:			
MEETING FACILITIES USED	Hospital Board Room and Wandlyn fair (Wandlyn)	n/a	Wharf Inn
RATING			poor
COMMENTS	Wandlyn has one board room that can hold only 50 people.		poor service, no windows, would not return.
ACCOMMODATION USED	Wandlyn	n/a	Wharf Inn
RATING	good		fair
COMMENTS	Food was good.		none

EXHIBIT 3-11 (Continued)
NEW BRUNSWICK ASSOCIATIONS AS DEMAND GENERATORS

Page 3 of 7.	CONSTRUCTION ASSOCIATION OF NEW BRUNSWICK (Fredericton)	FEDERATION OF NEW BRUNSWICK FACULTY ASSOCIATIONS (Fredericton)	NEW BRUNSWICK ABORIGINAL PEOPLE'S COUNCIL (Fredericton)
ROTATING MEETINGS IN N.B.	Yes - annual meeting in Fredericton; others rotate.	Yes -	Yes -
NUMBER ROTATING MEETINGS			
OF: OVER 200 PERSONS	0	0	1
100-200 PERSONS	0	0	0
50-100 PERSONS	0	0	0
UNDER 50 PERSONS	4	6	18
AVERAGE LENGTH OF STAY	1 night	1 night	1 night
MONTH OF MEETINGS	January, June, September and December	February, March, May, August, October and November	January to March and July
ESSENTIAL FOR DELEGATES TO STAY IN SAME HOTEL	No - preferred but not critical.	No - but preferred.	No - but preferred.
RECENT MEETING IN MIRAMICHI	No - not enough members in Miramichi area.	No - university not in the area.	Yes -
IF YES:			
MEETING FACILITIES USED	n/a	n/a	don't know
RATING			
COMMENTS			
ACCOMMODATION USED	n/a	n/a	don't know
RATING			
COMMENTS			

EXHIBIT 3-11 (Continued)
NEW BRUNSWICK ASSOCIATIONS AS DEMAND GENERATORS

Page 4 of 7.	N.B. FEDERATION OF WOODLOT OWNERS (Fredericton)	N.B. FOREST PRODUCTS ASSOCIATION (Fredericton)	N.B. HAIRDRESSER'S ASSOCIATION (Fredericton)
ROTATING MEETINGS IN N.B.	Yes - but most meetings in Fredericton.	Yes - usually in Fredericton or Boiestown at Woodmen's Museum.	Yes -
NUMBER ROTATING MEETINGS			
OF: OVER 200 PERSONS	0	0	0
100-200 PERSONS	0	0	0
50-100 PERSONS	0	0	1
UNDER 50 PERSONS	1	1	0
AVERAGE LENGTH OF STAY	1 night	No overnight	1 night
MONTH OF MEETINGS	August	May	October
ESSENTIAL FOR DELEGATES TO STAY IN SAME HOTEL	No - most do not use hotel accommodation.	n/a	No -
RECENT MEETING IN MIRAMICHI	Yes - in Ludlow.	Yes - in Boiestown.	Yes - in Douglastown.
IF YES:			
MEETING FACILITIES USED	Ponds Chalet	Boistown Woodmen's Museum	Douglastown Community Centre
RATING	good	n/a	poor
COMMENTS	n/a	n/a	Need large facility for hair extravaganza.
ACCOMMODATION USED	Ponds Chalet	day meeting	Wharf Inn
RATING	good		very good
COMMENTS	none		none

EXHIBIT 3-11 (Continued)
NEW BRUNSWICK ASSOCIATIONS AS DEMAND GENERATORS

Page 5 of 7.

	N.B. MEDICAL SOCIETY (Fredericton)	N.B. MULTICULTURAL COUNCIL (Fredericton)	N.B. REAL ESTATE COUNCIL (Fredericton)
ROTATING MEETINGS IN N.B.	Yes -	Yes - main cities only but considering other areas.	Yes - main cities plus Bathurst and Edmundston.
NUMBER ROTATING MEETINGS OF: OVER 200 PERSONS	0	0	0
100-200 PERSONS	1	0	0
50-100 PERSONS	0	0	0
UNDER 50 PERSONS	0	4	4
AVERAGE LENGTH OF STAY	3 nights	1 night	1 night
MONTH OF MEETINGS	September	March, June, September and December.	February, May, September and November.
ESSENTIAL FOR DELEGATES TO STAY IN SAME HOTEL	No - but preferred.	No - but preferred.	No -
RECENT MEETING IN MIRAMICHI	No - would if meeting facilities for 100-150 persons.	No - members not in area.	Yes - in Newcastle.
IF YES:			
MEETING FACILITIES USED	n/a	n/a	Wharf Inn
RATING			fair
COMMENTS			none
ACCOMMODATION USED	n/a	n/a	Wharf Inn
RATING			good
COMMENTS			none

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EXHIBIT 3-11(Continued)
NEW BRUNSWICK ASSOCIATIONS AS DEMAND GENERATORS

Page 6 of 7.	N.B. WOMEN'S INSTITUTE (Fredericton)	N.B. FEDERATION OF HOME AND SCHOOL ASSOCIATIONS (Moncton)	N.B. PHARMACISTS ASSOCIATION (Moncton)
ROTATING MEETINGS IN N.B.	Yes - usually at universities.	Yes - meeting usually held where current president is from.	Yes - annual meeting held by committees that invite association.
NUMBER ROTATING MEETINGS			
OF: OVER 200 PERSONS	0	0	)
100-200 PERSONS	1	0	) 1
50-100 PERSONS	0	1	0
UNDER 50 PERSONS	0	0	0
AVERAGE LENGTH OF STAY	2 nights	2 nights	2 nights
MONTH OF MEETINGS	May	May	June or September
ESSENTIAL FOR DELEGATES TO STAY IN SAME HOTEL	Yes - like everyone together.	No - usually use university facilities.	Yes - easier to gather together for meetings.
RECENT MEETING IN MIRAMICHI	No - would like to meet in Miramichi in future.	No	Yes - in Newcastle.
IF YES:			
MEETING FACILITIES USED	n/a	n/a	Miramichi Salmon Club
RATING			very good
COMMENTS			Enjoyable and food was good.
ACCOMMODATION USED	n/a	n/a	Miramichi Lodge
RATING			good
COMMENTS			None.

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EXHIBIT 3-11(Continued)
NEW BRUNSWICK ASSOCIATIONS AS DEMAND GENERATORS

Page 7 of 7.	N.B. SENIOR CITIZENS FEDERATION (Moncton)	N.B. ARTS COUNCIL (Saint John)	N.B. HEART FOUNDATION (Saint John)
ROTATING MEETINGS IN N.B.	Yes - this year in Campbellton; held all over N.B. - different place each year.	Yes - major centres and many smaller ones, tourist areas (e.g. Ludlow).	Yes - usually major cities; this year in Edmundston.
NUMBER ROTATING MEETINGS OF: OVER 200 PERSONS	10	0	0
100-200 PERSONS	40-50	0	0
50-100 PERSONS	0	7	1
UNDER 50 PERSONS	0	2	0
AVERAGE LENGTH OF STAY	2 nights	1 night	1 night
MONTH OF MEETINGS	Annual meeting in September or October; others in all months.	January, March, May, June, October and November.	September
ESSENTIAL FOR DELEGATES TO STAY IN SAME HOTEL	No - would be preferred but it would then not be possible to hold meetings in smaller centres.	No - but preferred and in small centres it is essential.	No - but preferred.
RECENT MEETING IN MIRAMICHI	Yes - in Chatham.	Yes - in Ludlow.	No - but likely in future.
IF YES:			
MEETING FACILITIES USED	Chatham Recreation Facility	n/a	n/a
RATING	good		
COMMENTS	Meeting facilities were best they could be.		
ACCOMMODATION USED	Filled all hotels within 50 miles	n/a	n/a
RATING	fair		
COMMENTS	All facilities were of equal quality.		

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EXHIBIT 3-12

MARITIME/ATLANTIC ASSOCIATIONS AS DEMAND GENERATORS

Page 1 of 2.

	ATLANTIC BUILDING SUPPLY DEALERS ASSOCIATION (Moncton)	ATLANTIC PROVINCES CHAMBER OF COMMERCE (Moncton)	ATLANTIC PROVINCES TRANSPORTATION COMMISSION (Moncton)
ROTATING MEETINGS IN N.B.	Yes - but usually in Moncton.	Yes - meetings in N.B. held in Boiestown, Newcastle, Saint John or Fredericton.	Yes - usually in main centres.
NUMBER ROTATING MEETINGS OF: OVER 200 PERSONS	0	0	0
100-200 PERSONS	0	1 in 4 years	0
50-100 PERSONS	0	0	0
UNDER 50 PERSONS	1	6	3
AVERAGE LENGTH OF STAY	3 nights	small: 1 night; large: 3 nights	1-2 nights
MONTH OF MEETINGS	March	Every 4 years in May plus any months except June, July and August.	January, May and September.
ESSENTIAL FOR DELEGATES TO STAY IN SAME HOTEL	No -	No - but preferred.	No - but preferred.
RECENT MEETING IN MIRAMICHI	No -	Yes - in Newcastle.	No - lack of air links.
IF YES:			
MEETING FACILITIES USED	n/a	Portage Restaurant	n/a
RATING		good	
COMMENTS		Nice place; good food; quiet.	
ACCOMMODATION USED	n/a	None - day meeting only	n/a
RATING			
COMMENTS			

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EXHIBIT 3-12(continued)
MARITIME/ATLANTIC ASSOCIATIONS AS DEMAND GENERATORS

Page 2 of 2.	ATLANTIC PROVINCES TRUCKING ASSOCIATION (Moncton)	CAA MARITIMES LTD. (Saint John)	TRUSTEES OF ATLANTIC PROVINCE HEALTH AND WELFARE TRUST FUND (Saint John)
ROTATING MEETINGS IN N.B.	Yes - in Moncton, Fredericton and Saint John.	Yes - in large city or resort area.	Yes - in Saint John, Moncton, Edmundston and Fredericton.
NUMBER ROTATING MEETINGS OF: OVER 200 PERSONS	1 in 4 years	1 in 3 years	0
100-200 PERSONS	0	0	0
50-100 PERSONS	0	0	0
UNDER 50 PERSONS	6	8-10	2
AVERAGE LENGTH OF STAY	small: 1 night; large: 3 nights	small: 1 night; large: 4 nights	1 night
MONTH OF MEETINGS	Every 4 years in October plus any other months.	Every 3 years in May plus semi-monthly meetings.	February and March.
ESSENTIAL FOR DELEGATES TO STAY IN SAME HOTEL	No - but usually do for convention.	No - but usually do.	No
RECENT MEETING IN MIRAMICHI	No - not central or a major centre.	No - directors not from area.	No - not many people they deal with in this area.
IF YES: MEETING FACILITIES USED	n/a	n/a	n/a
RATING			
COMMENTS			
ACCOMMODATION USED	n/a	n/a	n/a
RATING			
COMMENTS			

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EXHIBIT 3-13
NATIONAL ASSOCIATIONS AS DEMAND GENERATORS

Page 1 of 5.

	CANADIAN ASSOCIATION FOR COMMUNITY LIVING (Fredericton)	CANAIDAN DEAF-BLIND AND RUBELLA ASSOCIATION (Fredericton)	CANADIAN MENTAL HEALTH ASSOCIATION (Fredericton)
ROTATING MEETINGS IN N.B.	Yes - rotates north, south, east and west (Shippagan or Bathurst, Fredericton, Moncton, Saint John, Edmundston).	Yes - meet in Moncton once each year; rest of meetings in Fredericton.	Yes - staff and board meetings usually in Fredericton; staff meetings also held in Newcastle. Annual meetings held all over.
NUMBER ROTATING MEETINGS OF: OVER 200 PERSONS	1	0	0
100-200 PERSONS	4	0	1
50-100 PERSONS	10	1	0
UNDER 50 PERSONS	8	12	3
AVERAGE LENGTH OF STAY	1-2 nights	1 night	2 nights
MONTH OF MEETINGS	Annual meeting in May. Others in all months.	Annual meeting in June plus one meeting each month.	January or February, May and October.
ESSENTIAL FOR DELEGATES TO STAY IN SAME HOTEL	No - easy to get around. Larger meetings cannot be accommodated in one hotel.	Yes - important to stay together and meet each other.	No.
RECENT MEETING IN MIRAMICHI	Yes - in Newcastle.	No - too far for public officials and some delegates; nobody works in that area.	Yes - in Newcastle.
IF YES:			
MEETING FACILITIES USED	Miramichi Rehab	n/a	Wandlyn
RATING	fair		good
COMMENTS	Small; not a commercial operation		none
ACCOMMODATION USED	Wharf Inn	n/a	Wandlyn
RATING	fair		poor
COMMENTS	Too spread out with no large meeting rooms.		Filthy - "I refuse to go back."

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EXHIBIT 3-13(Continued)
NATIONAL ASSOCIATIONS AS DEMAND GENERATORS

Page 2 of 5.	CANADIAN NATIONAL INSTITUTE FOR THE BLIND (CNIB) (Fredericton)	JOINT APPRENTICESHIP AND TRAINING ASSOCIATION (Fredericton)	KIDNEY FOUNDATION OF CANADA (Fredericton)
ROTATING MEETINGS IN N.B.	Yes - most in Fredericton; advisory board meetings across province.	Yes - mostly in Fredericton; in Newcastle rarely (coordinator lives there).	Yes - but most in Fredericton.
NUMBER ROTATING MEETINGS OF: OVER 200 PERSONS	1	0	0
100-200 PERSONS	1-2	0	0
50-100 PERSONS	1	0	0
UNDER 50 PERSONS	44-45	12-15	1
AVERAGE LENGTH OF STAY	1-2 nights	2 nights	1 night
MONTH OF MEETINGS	January, May, September and December.	One rotating meeting each month.	June
ESSENTIAL FOR DELEGATES TO STAY IN SAME HOTEL	Yes - many are visually impaired. Need hotel that is accessible, sensitive and informed.	No - stay wherever they choose.	No - but preferred.
RECENT MEETING IN MIRAMICHI	Yes - in Newcastle.	No - Fredericton is more central.	No - meet where a local chapter needs support.
IF YES:			
MEETING FACILITIES USED	City Hall	n/a	n/a
RATING	fair		
COMMENTS	Meeting space was fine.		
ACCOMMODATION USED	Wharf Inn (formerly used Wandlyn)	n/a	n/a
RATING	good		
COMMENTS	Service is good.		

EXHIBIT 3-13(Continued)
NATIONAL ASSOCIATIONS AS DEMAND GENERATORS

Page 3 of 5.

	PLANNED PARENTHOOD (Fredericton)	BOY SCOUTS OF CANADA (Moncton)	CANADIAN MANUFACTURERS ASSOCIATION (CMA) (Moncton)
ROTATING MEETINGS IN N.B.	Yes -	Yes - all over in large and small centres. Next major meeting to be in Bathurst.	Yes - in major cities and occasionally in Chatham or Newcastle.
NUMBER ROTATING MEETINGS OF: OVER 200 PERSONS	0	0	0
100-200 PERSONS	0	2	3
50-100 PERSONS	0	20-30	4-5
UNDER 50 PERSONS	1	0	48
AVERAGE LENGTH OF STAY	1 night	2 nights	1 night
MONTH OF MEETINGS	June	March or April and October.	All months; busiest September to May.
ESSENTIAL FOR DELEGATES TO STAY IN SAME HOTEL	Yes -	No - use hotels plus community buildings.	Yes - helps with long days.
RECENT MEETING IN MIRAMICHI	No - local branch not in area.	No - not on the rotation cycle yet.	Yes - in Newcastle.
IF YES: MEETING FACILITIES USED	n/a	n/a	Wharf Inn (some at Wandlyn)
RATING			poor
COMMENTS			Not enough seating in conference rooms; only good for small numbers.
ACCOMMODATION USED	n/a	n/a	filled Wharf Inn, rest at Wandlyn
RATING			good
COMMENTS			Not enough room at any hotel in Chatham or Newcastle.

EXHIBIT 3-13 (Continued)
NATIONAL ASSOCIATIONS AS DEMAND GENERATORS

Page 4 of 5.	CANADIAN STANDARDS ASSOCIATION (CSA) (Moncton)	CANADIAN CANCER SOCIETY (Saint John)
ROTATING MEETINGS IN N.B.	Yes - mainly in major cities, mostly Fredericton.	Yes - starting as of next year.
NUMBER ROTATING MEETINGS		
OF: OVER 200 PERSONS	1 every 5 years	0
100-200 PERSONS	0	1
50-100 PERSONS	1 every 2 years	0
UNDER 50 PERSONS	0	0
AVERAGE LENGTH OF STAY	larger meetings - 4 nights smaller meetings - 1 night	2 nights
MONTH OF MEETINGS	Every 5 years in June; every 2 years in any month.	February
ESSENTIAL FOR DELEGATES TO STAY IN SAME HOTEL	Yes - convenient, cost efficient and time efficient.	Yes - convenience, lower transportation cost.
RECENT MEETING IN MIRAMICHI	No.	No - Fredericton, Moncton and Saint John are more central.
IF YES:		
MEETING FACILITIES USED	n/a	n/a
RATING		
COMMENTS		
ACCOMMODATION USED	n/a	n/a
RATING		
COMMENTS		

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EXHIBIT 3-13 (Continued)
NATIONAL ASSOCIATIONS AS DEMAND GENERATORS

Page 5 of 5.

	DIABETES ASSOCIATION (Saint John)	CANADIAN AUTOMOBILE ASSOCIATION (Saint John)
ROTATING MEETINGS IN N.B.	Yes - wherever branches are.	Yes -
NUMBER ROTATING MEETINGS OF: OVER 200 PERSONS	0	0
100-200 PERSONS	0	0
50-100 PERSONS	0	0
UNDER 50 PERSONS	2	1
AVERAGE LENGTH OF STAY	2 nights	2-3 nights
MONTH OF MEETINGS	April and September.	May
ESSENTIAL FOR DELEGATES TO STAY IN SAME HOTEL	No - but preferred.	Yes -
RECENT MEETING IN MIRAMICHI	Yes - in Edmundston.	No - but possibly in future.
IF YES: MEETING FACILITIES USED	n/a	n/a
RATING		
COMMENTS		
ACCOMMODATION USED	n/a	n/a
RATING		
COMMENTS		

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EXHIBIT 3-14
INTERNATIONAL ASSOCIATIONS AS DEMAND GENERATORS

	ST. JOHN AMBULANCE ASSOCIATION (Fredericton)	GIDEON BIBLES (Moncton)	CROSSROADS CHRISTIAN COMMUNICATIONS (Saint John)
ROTATING MEETINGS IN N.B.	Yes - one in Fredericton and the other in one of 50 N.B. communities. (Newcastle once in 25 years.)	Yes - rallies all over.	Yes - usually have major meetings in Toronto but hold "dinners" throughout N.B.
NUMBER ROTATING MEETINGS OF: OVER 200 PERSONS	2	0	4-5
100-200 PERSONS	0	0	0
50-100 PERSONS	0	2	0
UNDER 50 PERSONS	0	20	0
AVERAGE LENGTH OF STAY	2 nights	2 nights	1 night
MONTH OF MEETINGS	May (always in Fredericton) and September.	Large meetings in April or May and September or October plus smaller meetings in all months.	May, September, October and November.
ESSENTIAL FOR DELEGATES TO STAY IN SAME HOTEL	No - activities throughout community; delegate preference.	No - but preferred as it encourages active participation.	No.
RECENT MEETING IN MIRAMICHI	Yes - in Chatham several years ago.	No - but will use area this fall, not sure specifically where. If in hotel, will be at Wharf Inn as it is better set up for conventions and has good group rates.	Yes - in Newcastle.
IF YES:			
MEETING FACILITIES USED	n/a		Pentecostal Church
RATING			very good
COMMENTS			"Excellent."
ACCOMMODATION USED	n/a	n/a	no hotel - used private homes
RATING			
COMMENTS			

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83% of the associations surveyed hold rotating meetings. Those that do not are generally locally based associations.

- Rotating meetings held in New Brunswick were found to be held most frequently in Fredericton, Moncton and Saint John, and to a lesser extent in smaller centres.

- The survey results from a total of 427 rotating meetings, which are presented in Exhibit 3-15, indicate that 65% were meetings of less than 50 persons and 78% of less than 100 persons. Only 6% were meetings of more than 200 persons.

EXHIBIT 3-15: SIZE OF ROTATING MEETINGS BY ASSOCIATION TYPE

	Total Meetings	N.B. Assoc.	Maritime/ Atlantic Assoc.	National Assoc.	International Assoc.
Sample Size	427	179	28	192	28
over 200 persons	6%	9%	2%	1%	23%
100-200 persons	16%	30%	1%	7%	0%
50-100 persons	13%	7%	0%	22%	7%
under 50 persons	65%	54%	97%	70%	70%
	100%	100%	100%	100%	100%

Source: Interviews by Frank Wolman Associates Inc.

- For those who stayed overnight in hotels the average stay was 1.6 nights.

- For 35% of those surveyed it was essential for delegates to stay in the same hotel. For the majority it was not essential but preferred.

- The most popular months for rotating meetings were May, September and June; the least popular were July, August and December.

- A majority (55%) of associations had not held a recent meeting in the Miramichi region. The most common reasons for this were either too few delegates in the area or the perception that the region is inconveniently located. Of those respondents who had not met in the Miramichi region, some indicated a willingness to meet in the area in the future.

- Of the 20 associations surveyed that had recently held meetings in the Miramichi region, 60% held their meetings in Newcastle, most using meeting facilities at the Wandlyn or the Wharf Inn. The overall rating for meeting facilities at the Wandlyn was good and for the Wharf Inn poor to fair, primarily because the meeting rooms were found to be small. The Wharf Inn rated higher than the Wandlyn in terms of accommodation facilities.

- The most commonly expressed overall view of meeting facilities in the Miramichi region is that while quality of facilities is reasonably adequate, quantity and size are seen to be considerably lacking.

Overall, it appears from the survey results that a significant increase in association meetings business could be available to the Miramichi region. If the area is to attract this business, it would require an increase in size of both meeting and accommodation facilities. Such facilities would have to be comparable to facilities available elsewhere in the province in terms of quality.

3.6 Other Accommodation Demand Factors

There are a number of additional factors affecting the demand for accommodation a few of which are the price of gasoline, the value of the dollar, and the amount of income spent on accommodation and recreational activities. Although the effect these factors have on accommodation demand is hard to quantify, a brief discussion of these factors is merited.

The price of gasoline rose steadily in the early 1980's peaking at $0.623/litre in December, 1985. However, prices fell substantially to $0.473/litre in December, 1986 and have remained fairly stable at these levels. For example, the July prices for 1986 and 1987 were $0.489/litre and $0.487/litre respectively. This drop in the cost of auto travel is likely to have a positive effect on tourism and hence, accommodation demand.

The value of the Canadian dollar also impacts tourism in two ways - the less valuable the Canadian dollar becomes with respect to the American dollar, the more attractive Canada is to American tourists and the less attractive travelling to the United States is for Canadians. The value of the American dollar rose dramatically from an average of $1.1715 Canadian dollars in 1979 to $1.3894 Canadian dollars in 1986 which had a positive effect on tourism and accommodation demand in Canada. More recently the American dollar has decreased in value (an average of $1.3412

Canadian in May, 1987). Even this slight decline will have some negative effect on tourism and accommodation demand in Canada.

The amount spent per family for travel accommodations was $154 per year in Canada in 1982 (Statistics Canada, Family Expenditure in Canada, 1982); this increased to $171 per family in 1984. Further, the amount spent on packaged tours per Canadian family was $116 per year in 1982 rising to $191 in 1984. The increase in expenditure levels on these items are likely to have a positive effect on accommodation demand.

4.0 SUPPLY/DEMAND ANALYSIS

This section presents an analysis of accommodation supply and demand in the Miramichi region, and a summary of key findings of the market assessment.

4.1 Seasonal and Accommodation Type

As previously stated, there is a total of 324 accommodation units available in the Miramichi region. Exhibit 4-1 details the demand for these accommodation units in the region by accommodation type and season. The highest occupancy rates in the region occur in the summer months for the motels/hotels with an occupancy rate of approximately 84 %. Guest homes/bed and breakfasts are also in high demand in the summer and maintain about 70% occupancy.

EXHIBIT 4-1: ACCOMMODATION DEMAND IN THE MIRAMICHI REGION

	# of Units	Available Room Nights		Occupied Room Nights		Occupancy Rate	
		Winter	Summer	Winter	Summer	Winter	Summer
Hotels/ Motels	281	66,825	34,282	42,112	28,908	63%	84%
Guest Homes/ B & B*	22	4,131	2,684	1,750	1,885	42%	70%
Cabins	18	3,159	2,196	1,264	1,263	40%	58%

* Bed and Breakfast
** This figure excludes the newly opened Miramichi Manor

4.2 Geographic Areas

The types and numbers of accommodation units available in each area of the Miramichi region are given in Exhibit 4-2. Newcastle has, by far, the most accommodation units available. The motels/hotels in Newcastle also have the highest occupancy rates. In the summer, an occupancy rate of 90 % was estimated for hotels/motels in Newcastle, compared to 75% for Chatham. The winter occupancy rates of the hotels/motels in Newcastle is also considered high at 67%.

EXHIBIT 4-2: ACCOMMODATION DEMAND BY AREA IN THE MIRAMICHI REGION

	# of Units	Available Room Nights		Occupied Room Nights		Occupancy Rate	
		Winter	Summer	Winter	Summer	Winter	Summer
NEWCASTLE							
Motels/ Hotels	207	50,301	25,254	33,485	22,802	67%	90%
Guest Homes/ B & B	5	1,215	610	122	366	10%	60%
CHATHAM							
Motels/ Hotels	44	9,234	5,368	5,346	4,002	58%	75%
OTHER*							
Motels/ Hotels	30	7,290	3,660	3,281	2,105	45%	57%
Guest Homes/ B & B	17	2,916	2,074	1,652	1,501	57%	72%
Cabins	18	3,159	2,196	1,264	1,183	50%	54%

* Includes Ludlow, Doaktown, Nelson-Miramichi and Blackville

4.3 Market Segments

Exhibit 4-3 presents an estimate of the distribution of occupied roomnights by market segment for the Miramichi region motels/hotels. The largest share of the room nights are estimated to be taken by business travellers, accounting for approximately 63% of total occupied roomnights. About 25% of motel room nights are utilized by tourists.

EXHIBIT 4-3: MARKET SEGMENTS FOR MIRAMICHI REGION MOTELS/ HOTELS

	Occupied Room Nights	% of Total Occupied Room Nights
Business	46,191	63%
Tourist	18,148	25%
Other*	9,158	12%

* sport teams, construction workers, truckers, conference attendees, etc.

The guest homes and bed & breakfast establishments generally appeal to more specialized markets such as professionals and international tourists such as those travelling to the region for the purpose of bear hunting. The lower rates of these establishments also appeal to budget conscious travellers, sports teams and visitors of prisoners at Renous prison.

4.4 Events Market

Several summer events are held in the Miramichi region annually. Exhibit 4-4 provides estimates for the number of events' attendees requiring accommodation.

EXHIBIT 4-4: EVENTS' ACCOMMODATION DEMAND

Events	# Persons Requiring Accommodations
Miramichi Agricultural exhibition	7800 *
Irish Festival	4750 **
Miramichi Folksong Festival	300
Discovery '87	300
N.B. Firefighting Competition	750

* most use trailer facilities on exhibition grounds
** based on 25% of attendees during 1986

This exhibit shows that the demand for accommodation exceeds the supply during the duration of specific festivals, especially the Irish Festival. (Assuming an average of 3 persons per party, approximately 1583 units are required for each night of the 3-day festival, assuming that attendees stay for the full duration . Taking into account the 324 existing units, the 87 planned units, and the 20 temporary B&B units provided during festival week, and excluding accommodation demand from other users during the festival duration, this leaves a residual demand for 1152 units.)

This demand for accommodations by the events market will need to be addressed through the provision of short term accommodations and perhaps through scheduling some events at different periods in the year.

4.5 Key findings

Key findings regarding accommodation demand include the following:

- there is an overall lack of quality accommodation units in the study area;
- there is a trend toward increased tourism traffic in the Miramichi area, particularly in Newcastle/Chatham;
- the average length of stay by tourists is approximately 3.6 nights in the Newcastle/Chatham area;
- the occupancy rate for hotels/motels is approximately 84% during the summer months; the highest occupancy rate (90%) is found in Newcastle; this rate is substantially higher than normal equilibrium levels;
- cabins are under-utilized, with an occupancy rate of approximately 58% in the summer;
- there is an undersupply of accommodation in the Newcastle/Chatham area in the summer, due mainly to the high percentage of roomnights utilized by commercial travellers;
- there is an acute shortage of accommodations during the 3-day Irish festival in July;

- there is a lack of efficiency units in the region;

- strong support has been expressed for a new meeting/banquet facility;

- the meeting and association market represents a significant untapped potential market for accommodation establishments in the Miramichi region.

5.0 RECOMMENDATIONS AND IMPACTS

5.1 Recommendations

Recent overall occupancy levels in the region are quite high, which in itself suggests a need for addition bedroom units. It must be recognized however, that these occupancy levels reflect the construction development boom that has now leveled off. The planned 62 unit Journey's End Motel will absorb a substantial part of the need for additional accommodation units. However, this will not satisfy the very clearly expressed need for higher quality accommodation facilities and amenities, particularly for commercial, conference, bus tour and weekend escape markets.

There is a high degree of consensus that the major problem with accommodation in the Miramichi is the poor general state of the quality of the rooms and amenities. The travelling public, both tourist and commercial is becoming increasingly demanding in terms of the level of service and the aesthetics presented by the establishment. If the region and the province is to be expected to compete with other areas, then a substantial level of investment is required in the overall upgrading and renovation of the physical plant.

There is sufficient activity in several market segments to warrant development considerations. These are articulated below.

To satisfy the needs of the commercial, conference, bus tour and weekend escape markets, there is a requirement to provide the following:

- additional 40-60 high-quality units;
- quality food service;

- larger meeting space with capacity for about 150 persons;
- recreational and fitness facilities, such as exercise room, sauna and pool;
- small meeting rooms for approximately 20-40 persons;
- upgrading of existing guest rooms and other facilities to be in harmony with the new units;
- landscaping to improve aesthetics of the exterior;
- small number of additional efficiency units to meet the need related to business transfers in the area.

It is important that the above amenities be made available in the form of a single package. One facility must have all of these components. If spread out over several facilities, or if any one component is missing, the success of this initiative is jeopardized.

Bus tours may be accommodated at any of the larger establishments (minimum of 40 rooms) which choose to pursue this market.

Any proponent with a dwelling suitable for conversion to bed and breakfast operations should be encouraged as this would be a favorable addition to the accommodation supply in the area, particularly during the peak season. Where economically

feasible, a private bath should be incorporated with some rooms. Additional bed and breakfast facilities must be of high quality.

All proposals for expansion or new facilities should be supported by a sound business plan or a feasibility study. In addition, input from an architect and a landscape architect should be included in the plan.

5.2 Economic Impact

The economic impacts of the above recommendations were determined for the initial capital costs, for the continued use of the amenities, and for the resulting increased tourism. The effects described in this section are incremental to existing economic activity. Exhibit 5-1 below lists the initial capital costs associated with each new amenity recommended. The specific calculations used to arrive at the figures below can be found in Appendix B.

EXHIBIT 5-1: CAPITAL COSTS FOR EACH AMENITY RECOMMENDED

AMENITY	CAPITAL COST
Construction of 50 additional high-quality units	$975,000
Construction of a high quality restaurant to seat 50	$312,500
Construction of one large meeting room	$325,000
Construction of a fitness room, swimming pool and spa	$65,500
Construction of three small meeting rooms	$234,000
Renovation of 20 existing rooms (includes five efficiency units)	$300,000
Landscaping	$250,000
TOTAL CAPITAL COSTS	$2,462,000

The implementation of the recommendations would amount to a total capital expenditure of approximately $2,462,000. The economic impacts from construction would arise from the purchases of materials and labour. Assuming that the breakdown of materials and labour is the normal 50% materials and 50% labour, then the direct material costs would amount to $1,231,000 and the labour costs would amount to $1,231,000. In addition, short term indirect increases in demand (increases in purchases by supplying industries) and induced demand (re-spending of income by households) are generated.

The $1,231,000 in construction labour involved translates into about 35 person years of labour. (This assumes an average construction wage in New Brunswick of $35,000 which includes fringe benefits and administration). Given the seasonality of construction employment in New Brunswick, the 35 person years of labour translates into 60 jobs for construction workers for a given seven month construction period.

In addition, the government will benefit from the capital expenditures on materials and labour through additional tax revenues. The $1,231,000 in material costs will provide an additional $135,410 in tax revenue to the provincial government (11%), and an additional $98,480 in tax revenue to the federal government (8%). The $1,231,000 in labour costs will result in an average wage of about $26,000 for the 35 construction jobs (based on approximately 25% of the average $35,000 construction wage which includes fringe benefits and administration). This translates into additional federal income tax revenues of approximately $5,143 per person plus additional provincial income tax revenues of $2,983 per person. In total, the 35 construction jobs at an average wage of $26,000 per year indicates $180,005 in additional federal income tax revenues and $104,405 in additional provincial income tax revenues.

In addition to the initial expenditures, these amenities will generate continued income in the region as a result of continued operator profits and increased tourism. The exact amount of operator profits is difficult to quantify because of the many possible scenarios and service activities. Some examples of the type of operator profits to expect include:

- profit from renting additional rooms;
- profit from sales of food and alcohol in an additional restaurant;
- profit as a result of more conventions and meeting.

All of the above profits will also be subject to taxes of course, which will mean addition tax revenues to the Province. Additional income will also be generated from the increased tourism which will result from the addition of these amenities. For example, 50 additional high quality rooms will attract additional commercial travellers which can be accommodated in the region. This will result in increased annual expenditures (on gas, food, lodging and entertainment etc.) in the region of approximately $1,200,000. The addition of a large meeting room which could accommodate up to 150 people, and three small meeting rooms will also result in increased income in the region. The large meeting room could attract the larger conventions which could result in about $375,000 in additional annual income to the region based on the fact that these people would require lodging. The smaller meeting rooms which could accommodate one day meetings could generate approximately $30,000 in additional annual income to the region.

APPENDIX A

Hotels/Motels/Inns

Pond's Chalet Resort, Ludlow

The operation has been in the family since 1933. Renovation and constant upgrading has taken place approximately every five years. The bulk of business in the past relied on outfitting. Recently, there has been a direction to promote the facility for small corporate meetings and retreats. Full audio/visual equipment is supplied, along with food and beverage. The Lodge is ideal for meetings, and the cabins can also be used for "break-out" purposes. The owners have also developed a full range of winter activities and attractions such as cross-country skiing, skating, snowmobiling and sleigh rides. The summer activities for families include paddle boating, swimming in the river hiking and wildlife trips, in addition to the fishing and moose hunting.

Advertising has been a large part of the promotion budget, including radio and television, attracting the residents from the city areas to vacation in their own province. A staff of up to forty-three makes the facility a major employer in the immediate area. The bulk of the business is American, and the Ponds have, and will continue to promote their establishment at trade shows in the United States.

Upgrading could take place in the form of paving the driveways and parking lot, as long as the "rustic" appeal is maintained. The motel rooms are adequate, but for a corporate market there needs to be upgrading in the rooms, such as shelves in the bathrooms for shaving kits, larger sinks, shower curtains that are adequate for the stall, and better quality linens and towels. Phone service is presently not available in some rooms and the

T.V. receives only one channel; perhaps a satellite dish should be considered or a VCR. The Dining Room is excellent, the menu is selective and the quality of the meals/service is fine. The Dining Room was recently built and serves the local community as well as the resort guests.

Plans are underway for a laundry to be built on the back of the kitchen, and a recently built tennis court will be landscaped soon. Other expansion ideas that could be considered might be an exercise spa attached to the courts, or sauna, jacuzzi and/or pool to make a complete recreational area within the resort.

Taylor's Motel, Doaktown

This establishment has been with the family for 30 years, starting with three units in the 1960's and then expanding to ten in total in the 1970's. Presently, the facility is rented to welfare recipients during the winter months as are some of the units in the summer. The family also owns nine homes in the area that are also rented to persons supported by social assistance.

The owners are not interested in expanding the motel, but would rather renovate the existing facilities into long term rentable units. They intend to convert the motel into five apartments when they retire.

River View Motel, Newcastle

The present owners bought the property three and one-half years ago. They have cleaned up the inside of the rooms. The next stage of upgrading should be on the exterior. They do have plans to re-roof one of the older sections. Other work that could be considered is refacing the front of the motel units and landscaping the property. The owners have considered putting a swimming pool in the centre area of the motel units; although

what would be more effective might be an indoor pool/jacuzzi/spa complex connecting the units. Thought should also be given to licensed food and beverage facilities, and the possibility of conference rooms/meeting rooms.

The construction of the new Journey's End across the street from this Motel presents a potential problem but the owners could turn this to their advantage. The River View could offer the facilities that the Journey's End excludes because of its "no frill" concept. A new dining/banquet hall complex to replace the existing coffee shop would be most appropriate. Also needed in the immediate area is a licensed lounge to compliment the Journey's End.

The potential in terms of available space is not a problem as the current facility only takes up one-third of the five acre property.

Wharf Inn, Newcastle

This property is an example of a company that is taking full advantage of the potential of the area. The company is constantly improving its existing facilities and looking for ways to expand both the guest rooms and conference/meeting facilities. The ideal riverfront and central property location of the Inn site allows for expansion into the parking area and for extending the parking into unused land.

The Wharf Inn currently offers the highest quality and widest range of hotel services in the region. The dining room, lounge, patio, indoor pool, sauna and whirlpool are well designed and well operated.

Upgrading that could be considered in the guest rooms might be the addition of a shelf in each bathroom for shaving

kits/make-up, upgrading the wattage of the lighting to make the hallways and rooms a little brighter, and repainting these areas with brighter colours.

Wandlyn Inn, Newcastle

This property was originally built in 1958; the annex, a second building across the street, was built in 1961. In 1986 nine rooms were converted into five apartments. There is also a former beauty salon which is part of the annex that is presently serving as a very large apartment.

The one banquet room is poorly located on the second floor over the kitchen/dining room and is in need of renovation; upgrading of the carpet, furnishings and light fixtures is required. Consideration could be given to renovation of the beauty salon for a conference room or two rooms with a movable wall or partition between them. This space has a separate entrance so its use would not disturb other guests. Furthermore, there is staff access for cleaning and for food/beverage service, via the Inn laundry located next to this space.

Consideration should also be given to refurbishing the lounge, a licensed room off the lobby, and to general upgrading of the rooms, especially the bathrooms. Additional work to be considered would be the repainting of the exterior in a more modern colour and repainting of the balcony walkways.

Other expansion plans considered by the manager are a swimming pool and a games room. However, according to the manager, the owners may not be interested in upgrading their Newcastle property at this time given their interests in one of their properties in Alberta.

Fundy Line Motel, Newcastle

This is one of a chain of motels. The original section of the Motel is over 30 years old. The second section was built in 1978-79. General upgrading has been done to the rooms on an ongoing basis. This upgrading includes a second sink/vanity outside of the bathroom in each room to be used as a make-up/dressing table or as a wet bar. Some rooms have a sitting area with a bed/chesterfield which opens into a second double bed.

Commercial travellers represent the bulk of the Motel's business and, at present, the owners do not feel there is any need to add other services such as a swimming pool, jacuzzi, etc. The management believes that a games room is more trouble than it is worth and they do not wish to expand the dining facility beyond its present coffee shop/breakfast use. The one meeting room, which is a converted bedroom, seems to be sufficient for the demand, according to management.

Although the grounds are well maintained, the exterior could use repair and the walkways need to be recemented. The bedrooms are generally upgraded on a regular basis. However, improvement could be made to the design of the front desk and coffee shop. Since the majority of this establishment's business involves commercial travellers, there could be an effect on the level of activity once the new Journey's End opens. Fundy Line relies on repeat business and management hopes to maintain regular clients. They are planning to target more to the sport team business which will be attracted to the new Miramichi Civic Centre.

The lack of space surrounding the Motel limits the possibility of expansion on a major scale. Furthermore, the present attitude of the management is to maintain the status quo, thus making expansion or major improvements highly unlikely.

Morada Motel, Chatham

This Motel is owned and operated by two brothers-in-law, one of whom also owns the Portage Restaurant a few kilometers down the highway. The Morada is well maintained and consists of three sections, the third built within the last few years. There is additional land behind the Motel for further expansion and/or space for services (swimming pool, open space, exercise room, etc.). The owners were not available for comment regarding their future plans.

Little work needs to be done at present with respect to upgrading, for both the bedrooms and public service areas. It would be physically possible to expand the facilities to include meeting/conference rooms. However, there may be a limited market for such activity due to the low level of industry/business in Chatham (as compared to Newcastle) to support meeting/conference rooms.

Elda's Motel, Chatham

When originally built 35 years ago, the Motel contained 11 units. Fifteen years ago the present owners bought the Motel, renovated, and added housekeeping units to make up the present ten units. Most of this work was done by the family and some of the family currently help with the upkeep. The owners have no plans to expand although physically there is the space to do so. They feel that their current market and the repeat business they rely on is adequate. They are planning to rent more long term rooms, especially during the winter, to reduce the workload and to ensure a higher occupancy. About 80% of the winter business involves construction crews working in the area; travellers represent the rest of their business.

The owners do not feel that there is any point in building additional meeting/conference rooms with additional bedrooms since the Motel is a highway/travellers' style operation rather than a destination facility. They are not interested in group/team business since they have experienced problems with vandalism.

Folynwood Motel and Restaurant, Chatham

Open seasonally from May to September, this facility has been operated by the present owners for the past 16 years. With only six rooms catering to a strictly tourist market, there are no plans to expand the facility to include meeting/conference spaces.

The restaurant, which presently seats 20 people, could be expanded as it also serves the local surrounding area as well as the motel guests. The peak months of July and August demand additional bedrooms, but for the other months of the season there is no need for motel expansion.

Guest Homes/Bed & Breakfast

Governor's Mansion, Nelson-Miramichi

This property consists of: a main house, which was once the home of the New Brunswick Lieutenant-Governor J. Leonard O'Brien; a second large home, which was the the Lieutenant-Governor's brother's house; a carriage house located between the two residences; and a garage opposite the carriage house. Across the street and opposite to the main house is a large three storey store/warehouse and a boat house behind it on the water's edge. At present the property does not have an historic designation, locally or otherwise.

The entire complex is directly opposite the National Island Park. There is excellent potential for this complex to be converted into a resort/conference centre enclave.

One concept for the resort/conference centre would be to turn both houses into inn-style accommodation with the main house also containing the food and beverage facilities,such as a licensed dining room and a tea house on the veranda. The carriage house has great potential for a large conference centre utilizing both the main floor and the upstairs. Large open windows overlooking the gardens are ideal for this use. The grounds would be upgraded and redesigned to provide secluded areas for small group and private discussions.

The store/warehouse is ideal for retail outlets such as crafts, bakery, boutiques, etc. The second and third floors of [illegible] building could be used for banquets, more conference space and as a local community hall. The boat house would provide additional space for similar activities or could be retained as a boat house for canoe/sail boat rentals and tour boats to capitalize on the nearby National Island Park.

Although the potential is obvious, the existing need to upgrade is equally as obvious. Presently, most of the buildings are in need of repair, repainting and possible restoration. The buildings are old in design and no doubt are very difficult to heat and maintain. The interiors of the buildings are also in need of repair and refurbishment. With the exception of the main house, which is currently used as a guest house, the buildings are at present not suitable for tourist use. The furnishings are in most cases old and below standard. The capital costs of total restoration would be very high. The present owner/operator is retired and unable to maintain the complex on his own.

Miramichi Manor, Nelson-Miramichi

Located two doors from the Governor's Mansion, this Bed & Breakfast home opened in May of 1987. The house was purchased by a young couple who have carried out a number of improvements. The floors have been stripped and revarnished, the walls repainted, the bathroom re-modeled and the house entirely refurnished; most of the work was done by the owners.

The existing facility is more than adequate. The only future renovation plans are to put in two rooms and a bathroom in the attic.

Inn by the Pond, Doaktown

This Bed & Breakfast operation has been in existence for one year. Its current business involves referrals through a professor at the University of New Brunswick for Spanish tourists who are interested in bear hunting in the region. The owner also guides the tourists.

The existing facilities are well kept; the renovation of the house was well done. Future plans include expanding into the attic with two bedrooms and a bathroom, possibly turning the porch into a tea room for afternoon tea/sandwich service, and renovating the barn/tack room. The barn area has potential for a retail outlet, probably as a crafts items and supplies shop since the owner has an interest in this. There is also potential for this space to be converted into a food/beverage facility and/or meeting and conference space in conjunction with the golf club that adjoins the property. There are space restrictions with respect to any additional room expansions other than the attic and conversion of the barn.

The only drawback for this site seems to be the lack of activities in the evening, especially for women accompanying men who are hunting or fishing. Improvements in this area could be in the form of a VCR for movies or expanding the services to include a swimming pool/ jacuzzi or sauna/exercise spa concept - ideal for both men and women.

Castle Lodge Tourist Home, Newcastle

Located in the heart of Newcastle, this bed and breakfast tourist home has been operated by the same owner for 36 years and has been her family home for the past 76 years.

The owners rely strictly on repeat business and have no plans for improvement or upgrading. It is the hope of the owner to leave the home to the province to be used as a museum, along with the antiques that are presently in the house.

Dungarven Manor, Blackville

This Bed and Breakfast operation was purchased in 1979 from the present owner of the Governor's Mansion. The current owners are selling the facility to a local family who will be operating the Bed and Breakfast on a smaller scale and utilizing most of the rentable space for personal use.

There are no plans for upgrading or expansion at this time, though there is space to do so.

Cabins/Cottages

River View Cottages, Doaktown

The two cabins have two bedrooms each with two single beds allowing four persons per camp, i.e., a total of eight persons housed at any one time. The facility has operated since 1956 and serves primarily the American fishermen's market.

The cottages are located on a steep cliff overlooking the water and dock at the foot of the camp. There is space available on the property, taking into account the owner's residence and private yard, to put in a larger development. However, with the relocation of the Highway, the site is now situated some distance from the main traffic flow. Presently there are no signs to direct travellers to the cottages and advertising is limited to the Provincial Tour Book. Existing business is primarily generated by word-of-mouth and repeat customers.

The cottages are most appropriate for people who are "roughing it". There are no telephones or televisions and only limited cooking facilities. With current regulations on fishing and with limited funds, the owners see no point in expanding or upgrading the facility.

River Side Guest Home, Doaktown

This establishment was previously operating as a Bed & Breakfast but now only the three cabins on the cliff edge overlooking the river are rented. The owners are seniors and are not looking to upgrade or expand their facility. The grounds are very well kept and are located beside the Salmon Museum. One cabin is presently rented for the entire season to a local worker, the other two will be rented to returning fishermen. The cabins are adequate

and furnishings are basic. Services are limited, e.g., no T.V., shower only, no cooking facilities.

There is excellent potential to develop this facility, when the owners sell the property, given the location of the property along the main highway, the view, and the proximity to the Museum.

Campgrounds

Red Pine Provincial Park, Boiestown

The Park was not open when the consultant was surveying facilities, but an interview took place with the Park's operator (also the operator of Pond's Chalet Resort). There is an older playground area for children and one building on the grounds for storage. There are only 79 campsites, and these do not have water, power or sewage services.

Taylor's Campground, Doaktown

This Campground is basically a large field area behind the Taylor's Motel. There are no services provided at the actual campsites. Campers would use the services of the Motel, including the Taylor's own swimming pool ($1.00 per half hour). The Campground is not advertised separately on road signs but is listed in the Provincial Tour Book.

The Enclosure Provincial Park, Newcastle

The Park was not open when the consultant was surveying facilities, but an interview took place with last year's canteen operator. Apparently it is well maintained and quite active, especially for weekend local campers. There is a beach, lifeguarded swimming and a canteen. Trailer hookups are

available as are shower facilities and portable toilets. The total area of the site is 134 acres. It seems to be well run by the province and well used by campers and local residents.

Familyland Campground, Loggieville

This Campground is well run and appears to be very professional in its approach to meeting the needs of today's campers. It is associated with the Canadian/New Brunswick COA. The camp has excellent signage on the Highway and from all major roads into the area. The grounds are well maintained and provide a variety of campsite settings (beach front, wooded and grass-open). There are electric, water and sewage hookups for trailers. There are also changerooms, shower rooms, a laundromat, washrooms, public telephone, picnic tables, nature trails, beach and river swimming.

The highlight of the Campground is the central core which contains the activity area. An old "A" frame building is one-half general store and one-half recreation hall. This facility has the best games/ pinball area in the entire region. The recreation hall has been used in the past for meetings of various camping groups that have used the grounds for rendezvous purposes. Next to this building is a 30' x 60' outdoor swimming pool.

Upgrading the existing facilities could include paving the roadways or at least filling in potholes with gravel and providing cement pads for trailer stability. The space above the general store/recreation hall could be utilized as a meeting hall, party room or as a video cinema. The swimming pool needs repair, the sunning area around it needs upgrading and the surrounding fence should be replaced. Additional recreation facilities could be considered such as a jacuzzi, exercise room, or tennis court.

The owner would like to do more with the property. The potential space for expansion of services is available with 100 wooded acres still available for development. Additional leisure attractions such as a waterslide/ theme park could make the camp more of a destination.

The owner expressed concern over the possible impacts of the proposed relocation of the Highway and bridge and the Newcastle by-pass. The probable negative effects on the tourist market would, according to the owner, be negated by proper promotion of the area.

APPENDIX B

CALCULATION OF CAPITAL COSTS OF RECOMMENDED AMENITIES

1. Construction of 50 additional high quality motel units:
   50 rooms @ 300 square feet each @ $65 per square foot construction cost = $975,000

2. Construction of a high quality restaurant to seat 50 people:
   2500 square feet @ $125 per square foot construction costs = $312,500

3. Construction of one large meeting room:
   5000 square feet @ $65 per square foot construction costs = $325,000

4. Construction of an indoor swimming pool, spa and fitness room: one pool @ $30,000 + one spa @ $10,000 + one fitness room at 300 square feet @65 per square foot construction costs + $6,000 for fitness equipment = $65,500

5. Construction of three small meeting rooms:
   3 rooms @ 1200 square feet @ $65 per square foot construction costs = $234,000

6. Cosmetic renovation of 20 motel room which includes five efficiency rooms: 20 rooms @ 300 square feet @ $50 per square foot renovation costs = $300,000

7. Landscaping:
   landscaping for a 100 unit motel = $50,000 and for example, if five motels landscape, then total landscaping = $250,000

CALCULATION OF TOURISM IMPACTS

1. 50 high quality rooms @ 365 days @ .6825 occupancy (weighted average occupancy rate for the region) @ $100 average party expenditure = $1,200,000

2. One large convention room @ 50 meetings per year @ 50 people each @ $150 average party expenditure = $375,000

3. Three small meeting rooms @ 75 meetings per year @ 20 people each @ $20 average party expenditure = $30,000